

Corporate Sustainability Report 2010-11



GROWTHfor
COMMONgood





Growth for Common Good

“Steel will continue to be an essential building block of national development. Tata Steel will continue to be committed to be amongst the most cost efficient steel companies in the world, which participates in the development of the countries, where it is present while meeting its social responsibility to its stakeholders and the communities it serves.”

Ratan N Tata, Chairman, Tata Steel Limited 2011

Tata Steel’s vision is to be a global steel industry benchmark in Value Creation and Corporate Citizenship. The Company intends to make a difference through its conduct aimed at providing a safe working place, respecting the environment, caring for its communities and demonstrating high ethical standards.

STRATEGY & ANALYSIS

Triggering growth for Common Good

The Company pursued its goal of ensuring "Growth for Common Good" through key programmes in 2010-11



Value Creation

- 2.9 MTPA expansion programme
- A focussed TQM initiative "Kar Vijay Har Shikhar" to improve EBIDTA Margins



Employees

- Focus on Injury Free Steel through Personal Safety Action Plans
- Wellness@Workplace Programme for employees
- Focussed on workforce diversity through positive discrimination in favour of indigenous communities



Environment

- Achieved a further reduction in CO₂ emission
- Recorded a quantum jump in water conservation by recycling 35% of process water



Social

- Adopted the Human Development Index to measure the lives it impacts
- Supported the aspirations of youth through education scholarships, sports and employability programmes

(Unless where stated Tata Steel implies Tata Steel's Indian operations only)



Managing Director's Statement

In 2010-11 Tata Steel had a robust performance, achieving the best ever EBITDA, surpassing all previous years records in the area of Hot Metal, Crude Steel and Works Saleable Steel. Remarkable improvements were also achieved in some of the cost related Key Performance Indicators.



Looking into the future I see rapid changes on the global business front. The volatility of markets, inflation and interest rate volatility, changing consumer behaviour, easy access to technology, debates on policies and increasing inter-relationship of businesses is making forecasting of scenarios important.

In order to succeed in the future, Tata Steel has approached strategy formulation through a more agile and dynamic methodology. The steel industry in India has entered into an exciting phase of growth. Plans for infrastructure and consumer driven growth in India will call upon the steel industry to support a new phase of nation building.

It is a very well-known fact that Tata Steel was conceived of by the great visionary and the Founder of the Tata Group, Jamsetji Nusserwanji Tata, with the intent to generate wealth through industrialization for a larger section of society. J N Tata was very different from the great capitalists of his times, in that he had a compelling vision for the real purpose of an industrial organization. For him, the interests of the shareholders, the health and welfare of employees and prosperity of the community were the sure foundation of success.

In 2010-11, Tata Steel pursued its growth plans through brownfield and Greenfield expansion projects, enhanced market reach and depth, enhanced its offer of products



and services, as well as improved profitability. The purpose driving the Company has remained the common good of all its stakeholders - customers, vendors, investors, employees, and the community, just as it has been for over a century - through ethical and sustainable business practices.

Safety and health of people working in the steel industry has been one of its top challenges for years, especially because several processes in steel making are potentially hazardous. Our relentless effort to improve the Safety performance of the Company has resulted in our getting close to achieving our target of 0.4 LTIFR by 2012. However, fatalities continue to be an area to renew our efforts. An initiative which I am personally interested in is Wellness@Workplace. All too often I have seen colleagues neglect their health in their devotion to duty. The pride within all of us on being a part of Tata Steel often makes us place it before ourselves. But it is in the interest of the Company that it has a healthy, active workforce, and it is this message that the programme voices.

Our effort to develop sustainable steel solutions for a shared sustainable future, led us to nearly double our Research & Development spends in 2010-11 along with our investments in new product development such as Fe500, high-end low carbon wire rods and Zero spangled Galvano.

Our industry has the responsibility of reducing CO₂ emissions and utilizing resources efficiently. Every improvement is a challenging achievement with the current set of technologies. Our growth plans showcase the introduction of large energy efficient furnaces and green technologies.

In 2010-11, we adopted the Human Development Index to measure the effectiveness of our initiatives in the communities we serve. I hope to see the positive impact of our initiatives in the years to come.

In more ways than one, the coming years will be a watershed for Tata Steel. We will commission the 2.9MTPA project at Jamshedpur and execute the 6MTPA

Greenfield project in Odisha. Customer focus, pursuit of quality, development of new products, improved environment foot print, efficient utilization of resources, and, inclusiveness will remain important pillars for the sustainability of our Company. These projects are therefore equally important for our stakeholders.

Scarcity of a key raw material-coal-and volatility in its prices along with exchange rate fluctuations is a big risk for the steel industry and we are exposed to ~50% of our coal requirement which we import. We are continuously evaluating options to increase our raw material security to help negate the impact of this volatility.

As I look into the future, Tata Steel will endeavour to further improve the quality of life of the communities we serve. We will deepen our engagement with stakeholders and embed sustainability in all our spheres of business. I am confident that through our sustainable practices we will be able to convert the challenges of today into opportunities of tomorrow.

Hemant M Nerurkar
Managing Director
Tata Steel Limited

14 November, 2011

Sustainability Strategy

The long-term strategies for sustainable growth of Tata Steel have been adopted from its Vision statement which says, **“We aspire to be the global steel industry benchmark for value creation and corporate citizenship”**, as well as through the identification of issues which are material to our stakeholders.

As a part of the ongoing processes, stakeholder concerns are prioritised based on their impact on the triple bottom-line. As a sustainability reporting process, the stakeholder-facing departments post the high priority issues to the Corporate team. The key concerns of stakeholders, which are material to Tata Steel, and the initiatives planned for FY11 are tabled below:

Stakeholders	Issues of Importance to Stakeholders
Customers	<ul style="list-style-type: none"> ● Cost Competitive Steel ● Availability and On-time delivery ● Value added products ● Defects or Quality complaints ● Steel Adhering to Safety & Environmental Norms
Investors	<ul style="list-style-type: none"> ● Improve Profitability ● Creating value for investors -Strengthening Balance Sheet ● Timely Implementation of Projects
Vendors	<ul style="list-style-type: none"> ● Training and Capability Building ● Resource (e.g., Vehicles, etc) Optimization of Vendors
People	<ul style="list-style-type: none"> ● Career Planning, Compensation and Growth ● Training and Development ● Infrastructure and Amenities for employees to create a safe and healthier work environment
Community	<ul style="list-style-type: none"> ● Township and community related activities ● Economic and Social activities with / for the community ● Addressing Climate Change issues
Regulatory Authorities	<ul style="list-style-type: none"> ● Compliance to Regulations & Changing Laws

Based on these material issues the key long term strategies of Tata Steel India are:

- Growing responsibly and strengthening our position in emerging and fast growing markets
- Increasing the share of value added products in the portfolio including downstream products
- Sustaining cost competitiveness and gaining security of raw materials
- Continuous performance improvement initiatives
- Achieve benchmark levels in Safety Performance
- Significantly improving environmental performance
- Attracting and retaining talent and having happy and proficient employees
- Socio-Economic empowerment of the community around us



One of the Tata Steel's value creation strategies is focused growth. With the aim of strengthening its position in emerging markets, Tata Steel is increasing its crude steelmaking capacity through expansion projects at Jamshedpur and Kalinganagar.

Given the business environment, risks, and opportunities available, these long term strategies have been translated into strategic initiatives. These strategies are focused on improving competitiveness to global standards and increasing capacity in India to remain the leading steel player in India.

Details of these strategic initiatives are given below:

Growing responsibly and strengthening our position in emerging & fast growing markets

One of the Tata Steel's value creation strategies is focused growth. With the aim of strengthening its position in emerging markets, Tata Steel is increasing its crude steelmaking capacity through expansion projects at Jamshedpur and Kalinganagar. The 2.9 MTPA Brownfield expansion at Jamshedpur is expected to be commissioned in FY12 while the 6 MTPA Odisha Greenfield project is being developed in two phases of 3 MTPA each. The first phase will be commissioned by 2014 and the next will follow soon after, taking the Company's total Crude Steel capacity to 16 MT. The Company's financial strategy is focused on managing the capital structure effectively and undertaking financing based on the Company's funding requirements for growth projects. (For more details on the projects refer Annual Report 2010-11, pages 24-27).

Increasing the share of value added products in the portfolio including downstream products

Going forward, the Company's growth plans are oriented

not only around upstream steel capacity but also focused on adding downstream capacity which will enhance the value-added mix in its product portfolio. Leadership position in value added products and high-end products require it to equip and update technologies in order to serve its clients in a cost effective way. R&D initiatives with knowledge support and learning from Tata Steel Europe helps Tata Steel India to maintain its product leadership position.

- R&D efforts are also being made to advance proprietary knowledge in order to develop value added and green steel products.
- Tata Steel has formed a technical JV with Nippon Steel Corporation for a 600,000 tonnes/year "Continuous Annealing Processing Line" for the production of high-grade cold-rolled steel sheet and to maintain its leadership position in the Indian automotive industry.

Sustaining cost competitiveness and raw material security

The current year has experienced volatility in raw material prices which is likely to remain in the coming year also. To meet this challenge Tata Steel has renewed its focus towards acquiring raw material resources, developing mines and enhancing the life of existing mines, Tata Steel targets maintaining 50% security for Coal and 100% for Iron Ore in the long term.

The continuous operational improvements achieved in the area of Cost and Throughput are detailed in the Annual Report Page 28-29. The Company continues to be the latest cost hot metal producer in the world.

Achieving benchmark levels in Safety Performance

The manufacture of steel involves steps that are potentially hazardous if not executed with due care. Tata Steel's businesses are subject to numerous laws, regulations and contractual commitments relating to health and safety.

- Regarding Health & Safety, Tata Steel India's philosophy is that all injuries can be prevented.
- The Company aims to reduce the lost time injury frequency to 0.4 per million hours worked by 2012.
- Due to the nature of these operations, extra efforts are being taken to ensure workplace safety in the mines and collieries in India. (Annual Report Page 34-35)

Continuous performance improvement initiatives

Continuous improvements through the implementation of TQM practices enables the Company to drive higher levels of performance and efficiency in all areas. Few of the initiatives taken are:

- Policy Management in Annual Business Plans (ABP) to ensure focus on business continuity strategies
- Common framework for alignment of the entire organisation to achieve a common goal.
- MD Diagnosis to drive process approach towards attainment of goals
- Deployment of multi-layered TQM vehicles down to the shop floor level
- Launch of Kar Vijay Har Shikhar (Conquer Every Peak) for improving EBITDA



Significantly improving environmental performance

Tata Steel India's approach has been to be a good corporate citizen and improve environmental performance beyond the requirements of laws, regulations and contractual commitments on environment. With the aim of continuously improving its environmental performance, Tata Steel India is focusing on four strategic priorities to underpin this challenging objective. These are to :

- Reduce emissions in the short to medium term, in line with current technology;
- Invest in the research and development of longer term breakthrough technologies;
- Develop new products and services that reduce CO₂ emissions through the life cycle;
- Actively engage the workforce in this challenge;

To attract & retain talent and have happy & proficient employees

Tata Steel India focuses on the strategy of developing its people to retain a motivated workforce and in turn make it competitive.

Socio-Economic empowerment of the community where it operates

Tata Steel's journey over the past century is a fascinating saga of pioneering initiatives in steelmaking operations and community development. Tata Steel follows the policy of responsible industrialisation with minimal impact on the environment and the socio-economic empowerment of the community.

Major focus areas are:

Resettlement and rehabilitation: Focus on planned rehabilitation, the creation of alternative income-generating activities, health care and educational facilities to relocated families. (Annual Report Page 46)

Community development: To ensure inclusive growth for all its stakeholders Tata Steel India undertakes several community development programmes through its four delivery arms namely, Tata Steel Rural Development Society (TSRDS), Tribal Cultural Society (TCS), Tata Steel Family Initiatives Foundation (TSFIF) and Urban Services. (Annual Report Page 38-45).

TATA STEEL INDIA

Value Creation for Common Good

Item	UoM	2008-09	2009-10	2010-11
------	-----	---------	---------	---------

Economic Performance

Gross Revenue	Rs Crs	27152	27612	32693
EBITDA	Rs Crs	9442	9806	12224
Market Capitalization*	Rs Crs	16858	56171	59512

Employees

Officers	Nos	4084	4310	4562
Non Officers	Nos	30834	30130	30350
Total		34918	34440	34912

The Tata Steel Group comprises Tata Steel India, Tata Steel Europe, NatSteel Holdings and Tata Steel Thailand

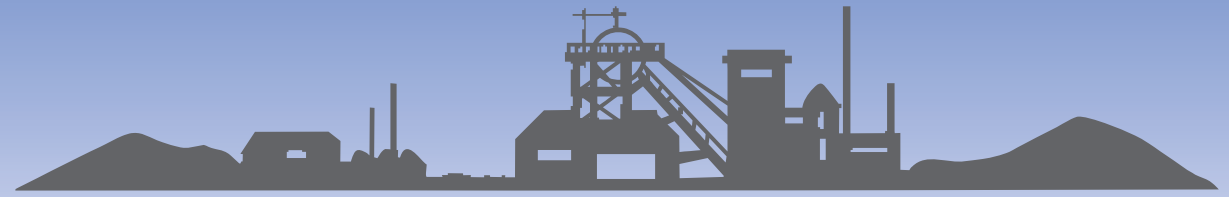
Tata Steel Limited, headquartered at Mumbai, is a public limited company. During the year 2010-11:

- Recorded Sales of 6.41 MT
- Earned a Turnover of ₹ 29,396 crores

The Company is in the process of adding another 2.9 MTPA of crude steel making capacity at Jamshedpur which will be commission by FY12 and a 6 MTPA Greenfield plant at Odisha. These will take the total capacity of Tata Steel to 16 MTPA.

Tata Steel had 34912 full time employees in 2010-11 and a market capitalization of ₹ 59,512 crores as on March 31, 2011. Its largest shareholder Tata Group of Companies owned 30.60% by voting strength.

Production in blast furnaces was maximised by producing from bigger blast furnaces while in the two steel melting shops there was an increase in the vessel life and heat size which enhanced productivity.

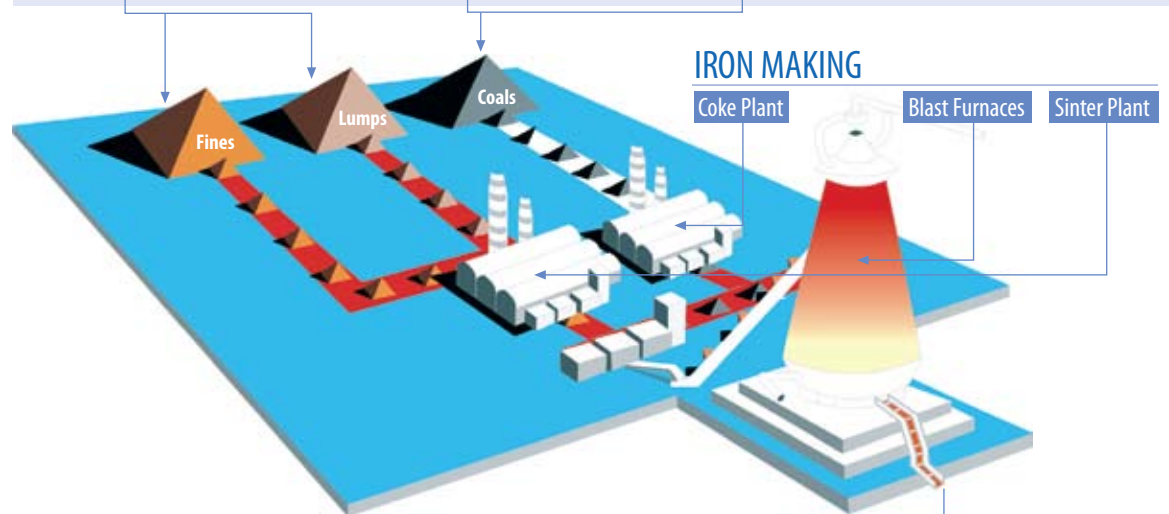


RAW MATERIALS

Ore Mines & Quarries Division

West Bokaro Division

Jharia Division



IRON MAKING

Coke Plant

Blast Furnaces

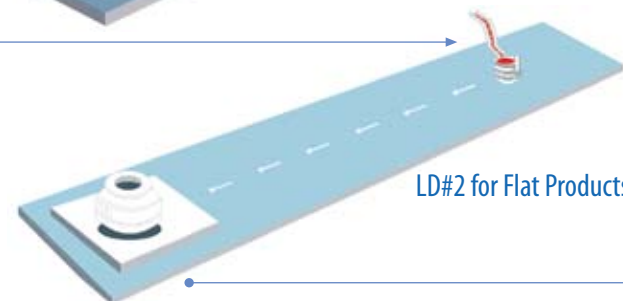
Sinter Plant

STEEL MAKING

LD#1 for Long Products



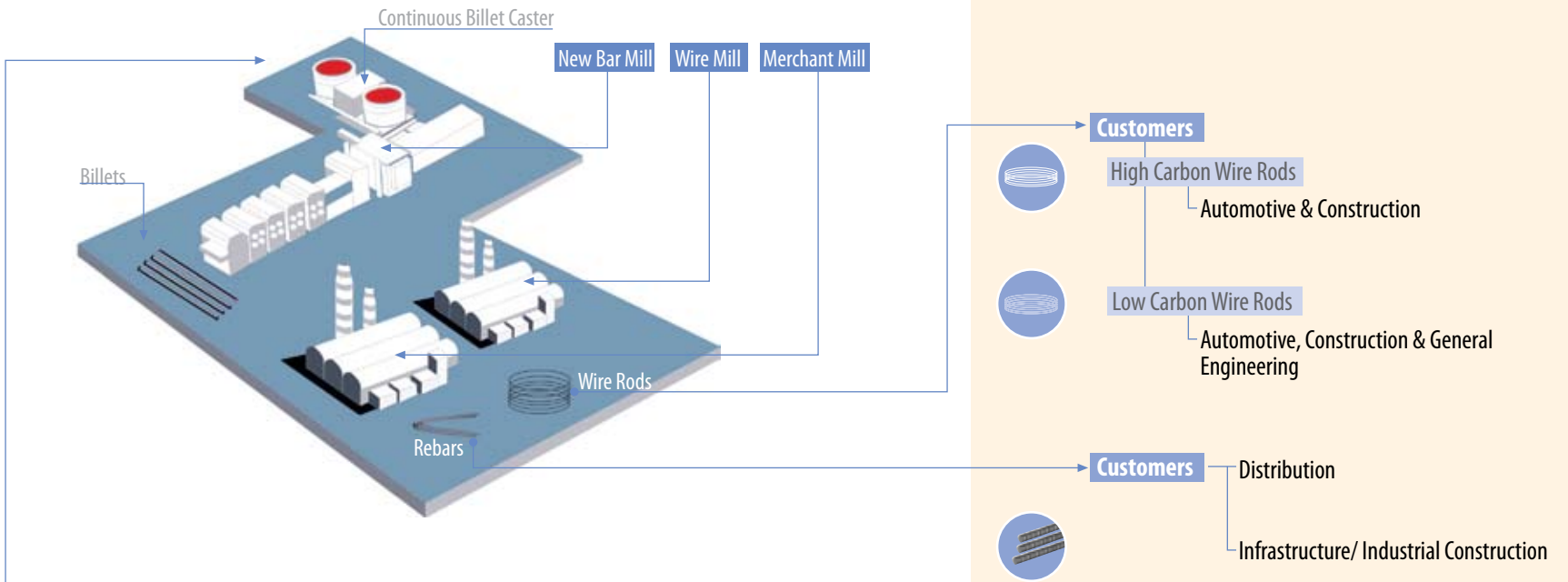
LD#2 for Flat Products



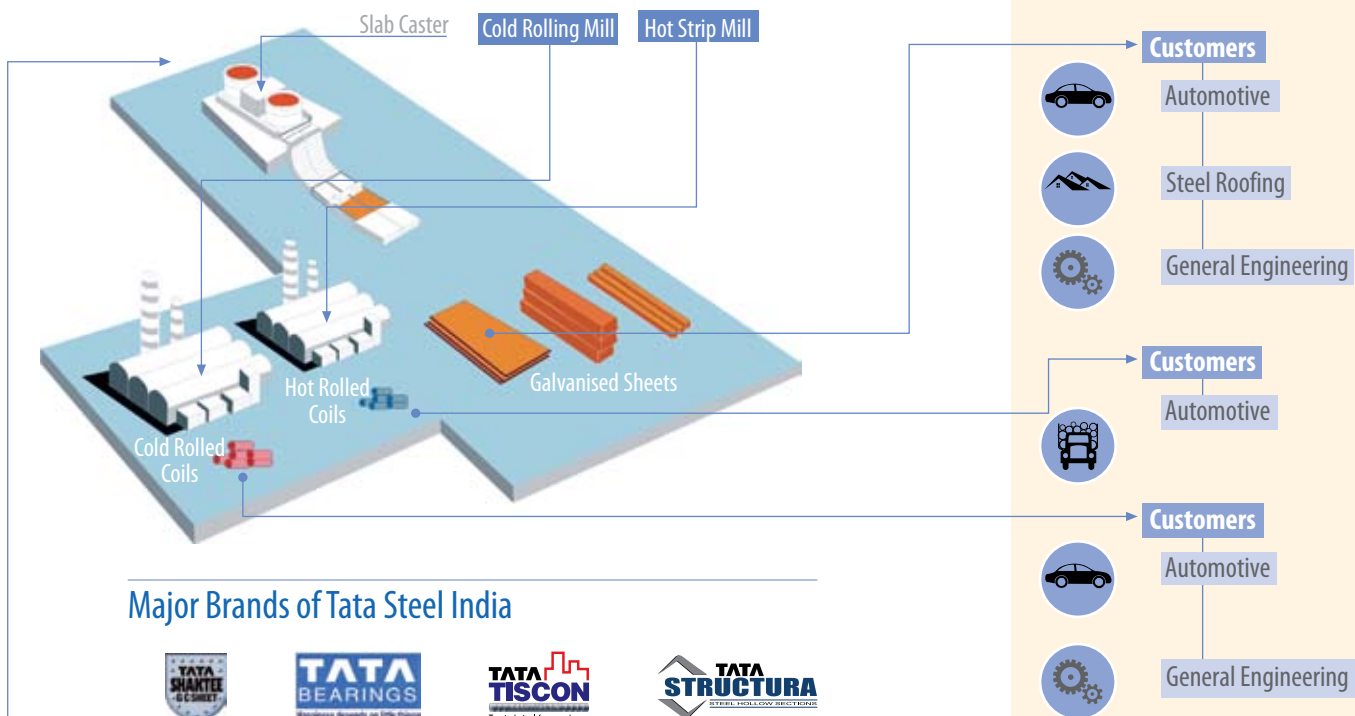
Major operating divisions:

The list of related party and relationship are given in Page no.165 of Annual Report 2010-11. The scope of this report is Tata Steel Ltd, standalone only.

LONG PRODUCTS



FLAT PRODUCTS



Major Brands of Tata Steel India





Markets served:

While the domestic steel market is the focus of attention for the Company, Tata Steel also sells its key products like Hot Rolled, Cold Rolled, Galvanised, Rebar, Wires, Ferro Alloys in international markets of strategic importance viz., Middle East, South Africa, Japan, China, Korea, South East Asia, Europe and SAARC countries.

Flat Products: Tata Steel is the largest flat steel producer. In focus segments like Automotive, the Company has 41% market share in the domestic market where it crossed 1 million tonnes sales in FY11, with best ever Skin Panel sales and Galvanised Annealed products. Tata Steel also has leadership in Galvanised roofing with 26% market share. Five new Steelium zone stores were opened in FY11 totalling to 30 stores.

Long Products: Tata Steel is the leading branded long steel product pan - India player. Tata Tiscon is the first rebar brand to have launched Fe-500 D grade rebars across India in compliance with the latest amendment made by BIS for lower impurities of Sulphur and Phosphorous. We continuously roll out unique offerings to our customers. Two of our recent unique offerings are readymade stirrups and 6mm TMT rebar. The Company has launched the readymade stirrup branded as "Superlinks" which provides greater safety in

construction and ensure convenience for customers. Tata Steel has pioneered the 6mm diameter size in TMT rebar. This innovation has supported and driven the steel saving behaviour in Indian construction industry by replacing the 8mm rebar in many of the applications where just minimum reinforcement criterion was to be met. Usage of 8mm rebar for applications like the kitchen slab, staircase, etc is a waste of natural resources as these can be easily designed with 6mm rebar..

CORPORATE AWARDS

- The Businessworld Most Respected Company Award 2011 in the Metals category.
- Recognized as India's Most Admired Knowledge Enterprise (MAKE) Award Winner 2010 at the CII KM India Summit 2010
- Asia MAKE (Most Admired Knowledge Enterprise) Award 2010
- Asia's Best Employer Awards hosted by the Employer Branding Institute in Singapore in July 2010. This included :
 - The Award for Talent Management,
 - The Award for Best HR Strategy in line with Business and
 - The Award for Excellence in Training.

AWARDS FOR EXCELLENCE IN CORPORATE SOCIAL RESPONSIBILITY:

- Conferred with the Safety and Health Excellence Recognition Award 2010 by World Steel Association
- Rashtriya Khel Protsahan Puruskar for the second consecutive year
- Recognised in six of the seven categories at the annual awards function organised by the Joint Committee on Safety, Health and Environment in Steel Industry (JCSSI)
- CSR Excellence Award 2010 by ASSOCHAM, National CSR Committee and CSR Organising Committee
- Businessworld-FICCI-SEDF Corporate Social Responsibility Award 2009
- Best Corporate Social Responsibility Practice at the 6th Social and Corporate Governance Awards 2010 by the Bombay Stock Exchange

REPORT PARAMETERS, GOVERNANCE, COMMITMENTS AND ENGAGEMENTS

Ethical Governance, the wellspring of Common Good



Report Parameters

Report Profile, Scope and Boundary

Tata Steel reports in line with the Global Reporting Initiative (GRI) G3 guidelines and complies with application level A+. This is the eleventh consecutive annual report; the last report was published in 2009-10.

The report focuses on the operations, economic, environmental and social impacts of Tata Steel Limited standalone for the period April 1, 2010 to March 31, 2011. The focus of this report is on the Raw Material Division (OMQ & Collieries) and Steel Division as these account for over 90% of the total environmental load by the Company and over 85 % of the profit generated by it.

The Company respects and values transparency in all its communication and at the same time strives to ensure comparability between steel making operations worldwide as required of GRI reports. Hence the environment performance data with respect to its raw material location is presented independent of steel manufacturing operations.

The Tata Steel Group's Corporate Citizenship Report available on www.tatasteel.com provides the sustainability performance of the Tata Steel Group, including its European, Indian and South East Asian Operations.

The joint venture with Nippon Steel Corporation is technical in nature and limited to transfer of know-how.

While compiling this report, the GRI principles of Materiality, Stakeholder Inclusiveness, Sustainability

Context and Completeness have been applied.

Materiality

The initiatives included as part of this Report are based on a materiality assessment on issues important to Tata Steel's stakeholders. Any omission does not imply that a concern is not being addressed.

Tata Steel undertook a detailed exercise to map its Corporate Strategy and Objectives prior to the preparation of this report.

The key indicators covered in the report were shortlisted on the basis of the Tata Steel Group Vision, Mission, Values and Policies; key learning & remaining problems from 2009-10; inputs from stakeholder engagements through surveys, feedbacks, relationships meets, etc; analysis of internal & external factors; and senior management views. The process of identification of issues/strategies and prioritization has been explained in Section 1.2 of this Report.

The Sustainability Strategy

Tata Steel's stakeholders include its customers, investors, vendors, people, community and regulatory authorities where Tata Steel operates. Further, Tata Steel's Mission states: "Consistent with the vision and values of the Founder, Jamsetji Tata, Tata Steel strives to strengthen India's industrial base through the effective utilization of staff and materials."

Metrics

Tata Steel has identified Key Performance Measures,

which are globally accepted standards in areas of priority against which it measures performance.

Vision and Goals 2012

All elements of the Company's Vision and Goals 2012 have been addressed through specific Corporate Objectives and Corporate Strategies and are tracked through Key Performance Measures used to report sustainability trends.

Independent Assurance

Tata Steel continues to seek independent assurance for its Corporate Sustainability Report. Accordingly since 2008, Tata Steel appointed Det Norske Veritas AS (DNV), as the independent assurance provider. DNV has conducted a moderate level of assurance against their VeriSustain protocol. Their independent assurance statement has been reproduced on pages 60-61 of this report.

Contact Persons:

Mr K Shankar Marar
Chief, Corporate Strategy & Planning
(India & South East Asia)
Tata Steel Limited

Mr Prabhat Sharma
Head, Corporate Affairs
Tata Steel Limited
email: sustainability@tatasteel.com

GRI Index

Refer page 62-68.



The Tata Steel Board is a trustee of the value created by the Company. It has oversight over operations and activities of the Tata Steel Group, including Tata Steel India. It ensures that Tata Steel India conducts its business in accordance to the highest ethical standards and the Tata values of trusteeship, integrity, respect for individual, credibility and excellence.

GOVERNANCE

The composition of the Board of Directors is a mix of executive and non-executive Directors from diverse background with extensive and rich experience in handling economic, environmental and social issues. The board members regularly review the compliance status of the organisation on these issues. The Board considers itself a Trustee of its Shareholders and acknowledges its responsibilities towards them for value creation and safeguarding their wealth.

As on 31st March, 2011, the Company had 12 Directors on its Board, led by a non executive Chairman. The number of Independent Directors is 50% (6) of the total number of Directors and number of Non-Executive Directors (NEDs) is more than 50% of the total number of Directors. Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report, Managing Director's and Auditors' Certificate, regarding compliance of conditions of Corporate Governance, are made a part of the Annual Report. (Refer page 79-122 of Annual Report 2010-11).

The names, categories of the Directors, attendance at Board Meetings, different Board Committees & Annual General Meeting, Remuneration, Shareholding details, Directorships and Committee memberships held in other companies are disclosed in Annual Report 2010-11 (Page.101). During the year 2010-11, five Board Meetings were held as follows: April 9, 2010, May 26, 2010, August 12, 2010, November 12, 2010 and February 15, 2010.

To deal with sustainability issues / challenges, the Company has set up several Board level Committees such as: Audit Committee, Remuneration Committee, Shareholders' Committee, Safety, Health & Environment Committee, Nomination Committee, Committee of Directors, Ethics & Compliance Committee, and the Executive Committee of the Board. Their composition and meetings details of these committees are given in the Annual Report 2010-11 (Page 101).

The Managing Director and Vice Presidents form the top management of the Company. The Managing Director heads many of the committees, dealing with sustainability issues, like the Affirmative Action Committee, Steering Committee on Climate Change, TSRDS Managing Committee & others which ensure that stakeholder needs are addressed. In addition several initiatives and charitable trusts formed by Tata Steel include stakeholders in the governance process (e.g. PPP - ATBCL, Health Initiatives, ITI, etc).

Tata Steel follows an Integrated Environment, Safety and Occupational Health System which is governed by ISO14001. Management Review Meetings are conducted at the Environment Management department every month. A Steering Committee on Climate Change has been created which is headed by the Managing Director. The SHE Committee of the Board (constituted in 2009) oversees the policies and their implementation across Tata Steel Group. The main remit of the Committee is to review operational performance, anticipate potential issues and provide support in setting direction for improvement in Safety, Health & Environment performance. In 2010-11 the SHE

Committee convened thrice.

Tata Steel is an active contributor and participant in sustainability and governance initiatives driven by the Tata Group. These include the Group level Affirmative Action programme, Tata Code of Conduct and Climate Change

Internally Developed Systems - Vision, Mission, Values, Policies and Management of Business Ethics

Tata Steel's stated intent is to make its ethical business practices and conduct a key differentiator for the organisation. This Code is now applicable to not only all employees of the Company, but also its business partners.

The Board ensures that the Company's business conduct conform to and are guided by the Tata Code of Conduct (TCOC), which enshrines the values and principles followed by the Tata Group for over a century. All executive directors, senior management personnel, non executive directors, employees and suppliers of the Company are signatories to the Tata Code of Conduct. The Tata Code of Conduct is available on the *Corporate website: www.tatasteel.com*.



Members of the UNGC lead at its inauguration with the UN Secretary General. Photo Credit : UN Photo / Eskinder Debebe



Tata Steel is a founder member of the United Nations Global Compact (UNGC). It has promoted and propagated the principles of the UNGC through its actions since 1999.

The Code is being implemented through a process designated as 'Management of Business Ethics'. The Managing Director is also the Chief Ethics Officer of the Company and the Corporate Ethics Office facilitates the process across the Company. The Ethics Process includes the following elements:

- Communication, awareness and training on TCOC for employees and business partners
- Development of management systems and processes to implement the TCOC
- Receiving concerns against the violation of the Code and facilitating redressal
- Evaluating the programme effectiveness through a stakeholders' perception survey

TCOC compliance is a condition of service for all employees. Since the Code is applicable to the business partners as well, compliance to the Code is also a condition of contract with vendors, suppliers, associates etc. The Code is also communicated to external stakeholders through the Company's website. Special Ethics Sessions are also organised from time to time for students, members of Revenue Services and Ex Defence Services Officers to communicate Company's Ethical Code.

Commitments to external initiatives

Tata Steel is a founder member of the United Nations Global Compact (UNGC) and among a select group of 54 global corporates who are part of the UNGC Lead. It has promoted and propagated the principles of the

UNGC through its actions since 1999.

The Company also abides by the Tata Corporate Sustainability (Group) Policy agreed on 29th July 2009. It follows principles, policies and processes requested by international management systems adopted by it, namely ISO 14001, ISO 9001, OHSAS 18001, SA 8000 and Total Quality Management to which the Company is regularly audited and recertified.

As a member of the World Steel Association the Company follows all internationally accepted guidelines and standards for steel manufactures. All its products are certified to national standards for product quality and properties. Tata Steel is also represented at all relevant international and national trade bodies and industry associations.

Several voluntary initiatives taken by Tata Steel towards Sustainability are :

- Reporting on Sustainability as per GRI guidelines
- Adopting the Ten Principles of the United Nations Global Compact
- Implementation of the Policy on Affirmative Action
- Strict adherence to the Tata Code of Conduct
- Implementation of Management Systems under SA 8000, ISO 14001, OHSAS 18001 standards
- Establishment of the Works Standing Order (Codified Rules)
- CPCB Charter on Corporate Responsibility for Environmental Protection (CREP)
- Reducing our CO₂ emissions

- Tata Steel Safety Standards, Site Safety Rules (Circulars & Guidelines).
- Post retirement, free medical benefit for self, spouse and parents.

A member of the Confederation of Indian Industry, in 2010-11 the Vice Chairman of the Company Mr B Muthuraman was elected its President in April 2011 for the year 2011-12.

Stakeholder Engagement

Tata Steel's stakeholders are those who are affected by the Company's action or whose actions affect the Company and who have an interest in the continued sustainability of the Company. They are the people for whom value is created on an everyday basis. Therefore, they also determine where the value or priorities for the Company exist.

The Company's exchange with these stakeholder groups helps it to identify important issues and the ensuing opportunities and risks for Tata Steel. The valuable feedback and results of dialogue with stakeholders are fed into the strategy management for sustainability.

Stakeholder engagement or two-way communication at Tata Steel is a continuous process and happens regularly at various levels and functions. Communication is undertaken through both formal and informal modes.

Each division / department engages with different stakeholders related to their areas of operations, this forms an integral part of the planning process.



The following figure explains Tata Steel's stakeholder engagement process.



Key engagement forums, expectations and concerns raised and initiatives taken to address stakeholder concerns are shown below:

Stakeholder	Forum	Stakeholder Expectations and Concerns	Initiative in FY10-11 to address concerns
Customer, Retailers, Distributors & Channel Partners	Customer Service Team, Customer Satisfaction Survey, Distributors and Dealer Meets	Cost Competitiveness	Increasing Skin Panel production. Value creation for customers by collaborative efforts
		Comply to Safety & Environment norms	Light weighting of Automotive through high strength steel development
		On time Delivery	Implement TOC. Increasing availability at distributors end. Create logistics Hubs and provide specialised transportation
		Defects / PPM rejection	Reduce Customer Complaints on accounts of Process and Product Design by 25%
		Value added products with enhanced aesthetics & life.	Increase sale of Durashine- colour coated Galvalume sheets, Introduce zero spangle Galvano
Vendors	Transporters Conference, Vendors Meet, Vendors Satisfaction Survey, Supplier Value Management	Assess and develop capability of vendors	Development of a Quality Assurance (QA) process
		Better services for vendors	Dedicated service for complaint logging and responding, Bus services inside works. Suppliers Help desk
		Payment cycle to be shortened	Implementation of E-invoicing
People	Employee Survey , PMS & Training, Dialogues, MD Online, JDC	Career and growth opportunities	JRCP rolled out
		Compensation	Provided market linked wages
		Training needs	70 20 10 rolled out
Investors	Analysts Meet/ Conference Call, AGM	Profitability	EBITDA Campaign Launch & KVHS
		Status of Projects	Monthly MIS and Reporting in Analysts meets
Community & Media	Public Hearing, Press & Media Briefing, JCCM, Senior Citizen Forum, Local Community and their elected representatives	Town and community related activity by the Company	Public Hearing
		Economic and social activity of the Company	Local Vendors and those from economically /backward communities encouraged



Top management actively engages in several fora to capture feedback from its stakeholders, such as:

Investors: The MD and the GCFO meet the investors' community during Analyst meets, Press meets, Annual General Meetings, and Road Shows to share the current and future plans of the Company and answer their concerns.

Employees: They voice their opinion and provide feedback to the top management through the monthly *MD Online* and through the quarterly *General Dialogue*, JWC & JCCM, wherein employees' issues, concerns & suggestions are taken up and responses are given by the top management. The Company also has an open door policy.

Customer: The MD and the top management regularly engage with customers at their premises. They also meet distributors through regional sessions/meets and hold the Annual Parivaar meet for the distributors of branded products.

Community: The MD and top management regularly engage through a structured forum with the people of community where Tata Steel operates. MD and top management are a part of various committees that engage with community where community issues and concerns are discussed and addressed.

Activities by Steel Distributors

During the last months as a part of new dealer nurturing programme Steel Distributors have conducted mason meets across the country. A minimum of 75 masons attend each of these programmes where various aspects of Tata Tiscon are explained. This has helped in popularising the brand and also enables new dealers to come on board quickly.

Engineers Meets : With a view to emphasising the use of quality rebars in construction of individual houses, distributors also conduct regular meets. They sponsor the meeting held by Licensed Engineers and Supervisors' Federation (LESFED) and use this platform to share the Brand Message.

Mason's Meet : As a part of ongoing programme to keep the mason community informed of the quality of the products and importance of using quality material, Mason Meets are conducted by the Company, which are well attended and appreciated.

Inshop branding and other dealer relationship activities :

On special occasions distributors such as Prabhu Steel present workers of the dealers traditional Kerala dhoti and saree for the ladies. Also various banners were displayed on the occasion of Navratri at certain dealers' premises. 200 mini hoardings have been placed across the state at vantage

points. In addition to the above, various inshop branding exercises has been done by Prabhu Steel at various new dealers premises to give customers a good buying experience.

Tata Tiscon TV Commercial :

A Tata Tiscon TVC in Tamil was formally released at a Gala Awards Night in Bangalore on 31st July 2011.

This was first aired in SunTV News Channel for a period of 15 days.

Subsequent to this Tata Tiscon was seen daily on Star Vijay TV for almost a month in prime time programmes of Airtel Super Singer and Neeya Naana.

The next step was to sponsor a suitable programme and the platform was again provided by Star Vijay Network which launched the programme called Grihapravesam for which Tata Tiscon was a co-sponsor. This programme was exclusively real estate and house building related. During this programme, the voice of the dealer, architect, a customer and the distributor was captured and aired. This programme was telecast on Sunday prime time 9:30AM to 10:30AM.

The advertisement was well received and helped in strengthening the brand image in the state.

The image shows four men in a steel mill environment. They are wearing blue hard hats and high-visibility safety vests. They are gathered around a large set of blueprints, with one man pointing at a specific section. The background is filled with industrial machinery, including large pipes, valves, and structural steel beams, all illuminated by bright overhead lights.

ECONOMIC PERFORMANCE

Growth to serve Common Good

Tata Steel is one of the most profitable steel operations in the world. During 2010-11, Tata Steel recorded a 25% increase in EBITDA.

Tata Steel's focus on developing innovative and breakthrough technologies for cost effective, fuel efficient and safer steel, along with better process technologies for environment management, led to an 84% increase in its Research & Development outlay in 2010-11.



Management Approach

Tata Steel's Vision for sustainable growth is to aspire to be a global steel industry benchmark in Value Creation and Corporate Citizenship. It accelerated economic value creation during 2010-11 by achieving the best ever EBITDA of Rs.12,224 crores sharpening its focus on the quality of its earnings and continuing to pursue its growth goals.

Growing responsibly and strengthening our position

Tata Steel is aggressively pursuing its growth plans to meet the needs of a rapidly expanding Indian steel market. Its 2.9 MTPA project at Jamshedpur, scheduled for completion in FY 2011-12, will take its crude steel capacity from 6.8 MTPA to 9.7 MTPA.

Construction on Tata Steel's greenfield project at Kalinganagar in Odisha, to be developed in two 3MT phases, progressed as anticipated during the year. The Company has executed contracts for the construction of the iron and steel making facilities and the slab caster. The first phase of the project is scheduled to be commissioned in 2014.

Increasing the share of value added products in the portfolio

The Company's focus on producing cost competitive steel, new product development and due date delivery performance through use of TQM methodologies like KVHS, TOC, PSTA, ASPIRE, CVM, RVM etc enhanced its

market leadership position in all segments, giving it a 41% market share in the automotive sector and 8% market share in Construction. Tata Steel earned EBITDA margins of 41.6% in 2010-11, making it one of the most profitable steel operations in the world.

The Company's robust operating performance, improved product mix and higher realizations led to its best ever turnover of Rs.29,396 Crs, highest ever Profit after Tax of Rs.6,866 Crs and EBITDA of Rs.12,224 Crs, thereby allowing it to stretch towards its goal of meeting future growth needs from internal accruals.

To improve its automotive offering in India, a focus area for growth, Tata Steel entered into a joint venture agreement with Nippon Steel during the reporting year to set up India's first Continuous Annealing and Processing Line (CAPL) at Jamshedpur. It will produce 600,000 tonnes per annum of automotive cold rolled steel. The project is expected to come on stream in 2013.

The current reporting year also took Tata Steel's contribution towards society to 1.8% of its PAT, amounting to a total of Rs 126 Crs spent in promoting the development of municipal, community and medical services, rural activities and other initiatives in 2010-11 as against Rs. 102 Crs in 2009-10. The Company also introduced a market based new wage for its employees. The indirect economic impact of its activities was demonstrated by the indirect employment provided by the Company's contractors to a workforce larger

than that of Tata Steel.

Investor Value Creation

The Board of Directors of the Company recommended a dividend @ 120% (Rs. 12 per share) for the year ended 31st March 2011. The dividend cash-outgo (including tax on dividend) was Rs. 1308 Crs. The dividend payout as a percent of Net Profit was 19%.

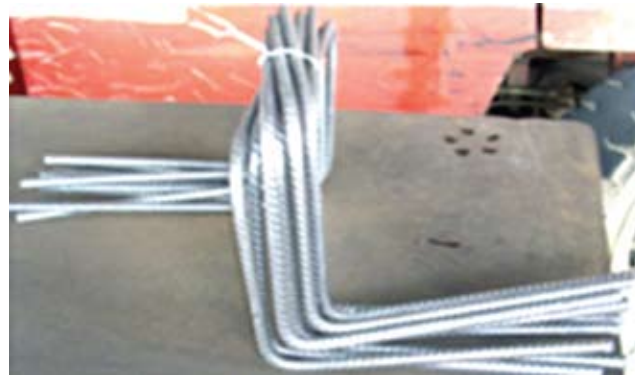
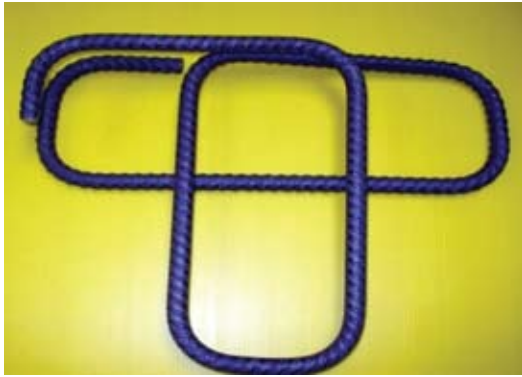
Total number of shareholders as on 31.03.11 were 969,987 (809,821 as on 31.03.10), Basic Earnings per share of Rs.75.6 (FY10 Rs.60.3), Diluted Earnings Per Share of Rs.70.9 (FY10 Rs.57.3), Networth Per Share as at year end of Rs.534 (increase of 19% as on 31.03.10 Rs.449) and Dividend of 120% further augmented value for the investor.

The Company focused on managing the capital structure effectively and to undertake financing based on the Company's funding requirements for growth.

Customer Value Creation

Sales of branded products and sales to the automotive sector both exceeded 1 MTPA in 2010-11, with the Company recording best ever Skin Panel & Galvanized Annealed product sales. Due date performance improved significantly from 93% to 96% in flat products and from 87% to 91% in long products.

The Company continued to foster a culture of innovation and continuous improvements which resulted in the development of new products.



Development of high strength steel and galvanized steel for reducing overall Carbon footprint and resource conservation

MATERIAL STEWARDSHIP:

Doing more with less to minimize the carbon footprint

A study of global best practices and the re-bar business of Group Company NatSteel Asia gave Tata Steel India important insights on the new opportunities in the Cut And Bend (CAB) rebar products. By the conventional method of onsite customisation 5% is wasted on site and the scrap generated is reused by secondary steel producers by the EAF / IF route. This leads to GHG generation to the tune of ~1.8 ton of CO₂/ton of crude steel.

In order to provide customers with customized CAB rebar solutions, straight length rebars are cut into different shapes. In 2008-09 a pilot plant was started at Bengaluru. Based on the success of the unit another plant has been started at Faridabad and plans are on the anvil to implement the initiative across India in

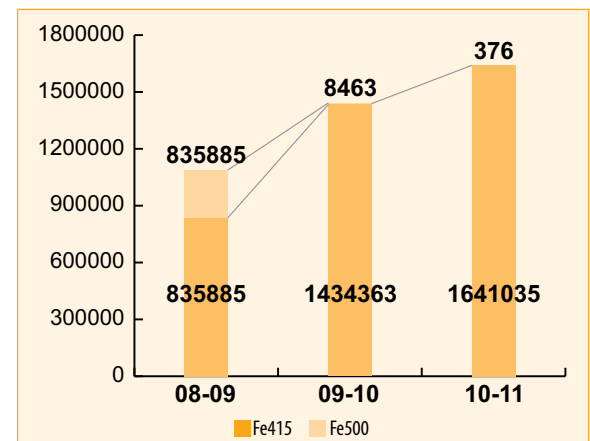
2011-12. The customer gains through higher productivity, assured availability, reduction in cost of production and consistency in quality of products. This leads to faster completion of projects, accuracy of design and bar bending schedule, less wastage and pilferage at the site, easier site management, no scrap handling and disposal, less congestion on the construction site within city limits and higher site productivity. The other levers for value creation include reduction in working capital, reduction in time required to complete projects, reduction in excess cost incurred due to delays and reduction of time and overhead costs. Tata Steel in turn is not only able to save this scrap at the customer premises but also able to use short lengths (less than 12metres) generated in the rolling process.

Value Creation:

	Manual Mode	"Readybuild"
Yield Loss	4-6%	2% at full capacity
Labour Productivity	0.2t/ man-day	0.7t/man-day

Improving durable products

Quantity of reinforcement steel bar used in RCC structures is proportional to Yield Strength (YS) of the rebar. Traditionally, it has been a challenge to improve upon the Yield Strength of the rebar. Backed by its superior process control and product innovations, Tata Steel has introduced Fe500 grade rebars replacing Fe415 grade (the strength of the former being 20% higher than the later grade). Usage of Fe500 rebar in construction projects allows 10% to 16% saving in steel consumption by weight (depending on the design of the house), thereby conserving critical natural resource for future generations. 67% of the Indian rebar market of 18MT is still served by secondary producers who manufacture Fe415 grade of rebar. In 2010-11 Tata Steel only sold old stock of Fe415 and will from 2011-12 discontinue sales of Fe415.





Supplier Value Creation

Procurement decisions are based on life cycle costing to reduce natural resource demand. Environmental impact of the purchase decision is linked to its CO₂ reduction initiative, the extent of the possibility of reusing a material and switching to a recyclable material, recycling and safe disposal of waste.

The Company ensures that the local workforce is a key beneficiary of its processes and practices by making it mandatory for its suppliers to focus on greater workforce diversity through greater inclusion of underprivileged communities, skill upgradation and training of semi-literate workers as well as contract workers to enable them to progressively assume greater responsibilities. Improvement in the availability of employee welfare benefits to tier 2 service providers as well as focusing on the health and safety of their workforce has been achieved through initiatives such as SA8000.

At Tata Steel the community is the purpose of business. Therefore the Company does not seek incentives, grants, subsidies, compensation or financial assistance from the Government, including for investments made through its Community Development initiatives.

Economic value generated and distributed

Particulars	2008-09 (Rs. Crores)	2009-10 (Rs. Crores)	2010-11 (Rs. Crores)
Economic value generated (A)	27,916	28,411	33,695
a) Revenues	27,916	28,411	33,695
Economic value distributed (B)	24,207	24,243	28,142
a) Operating Costs	13,280	14,227	15,446
b) Employee Wages and benefit	2,306	2,361	2,618
c) Payment to providers of Capital	2,431	2,264	2,456
d) Payment to Government	6,073	5,288	7,496
e) Community Investments	116	102	126
Economic value retained (A-B)	3,709	4,168	5,553

Break up of Payment to Government:-

Particulars	2008-09 (Rs. Crores)	2009-10 (Rs. Crores)	2010-11 (Rs. Crores)
Corporate tax	2,403	2,121	3,014
Sales tax	764	799	1,003
Excise duty	2,528	1,817	2,595
Customs Duty	102	88	202
Others	276	463	683
Tax paid to government	6,073	5,288	7,496

*Revenue figure includes sales tax in FY'09 Rs.764 crores, FY'10 Rs. 799 crores, FY'11 Rs. 1003 crores

*Corporate tax includes tax on dividend, current tax, fringe benefit tax as per profit and loss account.



Value Creation for People

Tata Steel is the largest industrial organisation in the eastern India and the very first Company to be incorporated in India. Economic hubs have grown around each of its locations, the largest of which in the region is at Jamshedpur where the Company's steel plant is located. Tata Steel has and continues to drive social change in the community by setting high standards for skill development, industry remuneration, employee safety, health and welfare.

During the year, a market based new wage series was introduced after arriving at a settlement with the Tata Workers' Union. All new recruitment for the expansion units, irrespective of gender or location, has been done in the new series of wages. All employees of the Company are members of PF and Retiring Gratuity Schemes.

Through the implementation of SA 8000 the Company ensures that its suppliers / partners pay living wages, as per SA 8000 norms, to their workers at its Steel Works which are above the minimum wages norms specified by government legislation. The Contractors Cell works with contractors and suppliers to help them embrace employee welfare initiatives and unlock value.

Local Buying

Supplier Value Management programme which capture value benefit opportunities by reducing costs, improving efficiency and effectiveness in the value chain, showed year on year benefit to the business as well as to the stakeholders.

As a globally competitive organisation in the context of buying "local" buying indicates purchase from suppliers based in India or indigenous buy.

The Company continued to support local NGOs, underprivileged sections of the society and entrepreneurs to be economically self reliant by engaging with them as business partners. The key economic initiatives taken in 2010-11 to promote the underprivileged sections of society are:

i. Declaration of underprivileged workforce is a

mandatory field in the Vendor Registration Application at Procurement, so as to award preference to such sections of the society on the basis of equal merit.

- ii. Rs.5 crores worth of business was given to underprivileged & tribal (SC/ST) community in 2010-11
- iii. Reservation of identified Goods and Services for sourcing from NGO
- iv. Year on year growth in business for NGOs has shown a rising trend from Rs.13 crore in 2009-10 to Rs.17 crore in 2010-11.





Local Hiring

Tata Steel is on a high growth path and requires highly skilled and qualified workforce to support construction and quick ramp up of its technology intensive operations both at the brownfield and greenfield sites. As on 31st March 2011 Tata Steel's employee strength increased to 34912 against 34440 on 31st March 2010. In addition the Company also created indirect job opportunities for 54500 people employed by its suppliers and contractors.

Tata Steel's policy for local hiring is guided by the Tata Code of Conduct, Affirmative Action Policy and Resettlement & Rehabilitation Policy. While a significant

number of employees are from local communities, ~15% of the Company's employees belong to scheduled castes or scheduled tribes, which constitute indigenous communities in India. The Company expects this number to continue to grow as youth from its greenfield locations Odisha and Chhattisgarh, currently undergoing pre-employment technical training, join its workforce.

A part of Tata Steel's workforce constitutes second, third and fourth generation employees.

Value Creation for Society

Tata Steel has adopted the role of an "enabler" to growth in the communities where it operates by focusing on

empowering and reaching technical support rather than granting aid to them. The Company follows a consultative approach to fostering socio-economic change in these communities and has determined five strategies: (1) Sustainable Livelihood; (2) Education; (3) Civic amenities and Infrastructure; (4) Health and (5) Ethnicity. In 2010-11 it conducted a Human Development Index study to assess the impact of its community interventions.

The direct and indirect impacts of Tata Steel's operation are covered in the section on Social Indicators.



ENVIRONMENT

Green practices, for the good of the Earth



ए सी कम चलाने के लिए
मैंने अपनी बहन को मना लिया है।
मुझे ग्रीनफेक्शन हो गया है।

GREENFECTION

हरियाली फैलाएं। धरती बचाएं।

पेड़ लगाने के लिए www.greenfection.com पर लॉग ऑन करें



MANAGEMENT APPROACH

Tata Steel Limited is uniquely positioned as a steel maker which procures its major raw materials from Company owned Mines & Collieries. This backward linkage has made the Company conscious of the responsibility it bears to two specific stakeholder groups- those connected to the steel industry as well as those connected to the mining sector.

This reports covers Tata Steel's environment initiative in three key areas : Optimising use of Natural Resource, Towards a Low Carbon Future and Minimising our Footprint.



The Company has adopted an ISO 14001 based Environmental Management System to achieve excellence in environmental performance and ensure continual improvement with all manufacturing and service facilities. Its mining operations are also certified under ISO 14001 (Environment Management System). Sites in-charge are responsible for implementation of the Environmental Management System in their respective areas.

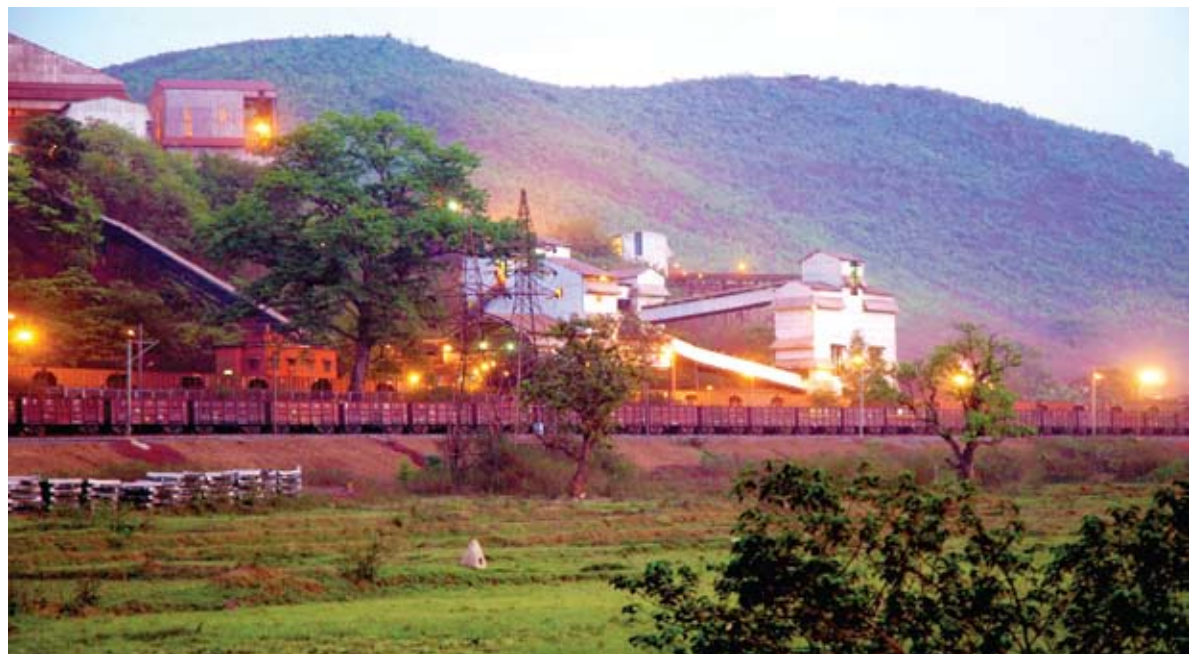
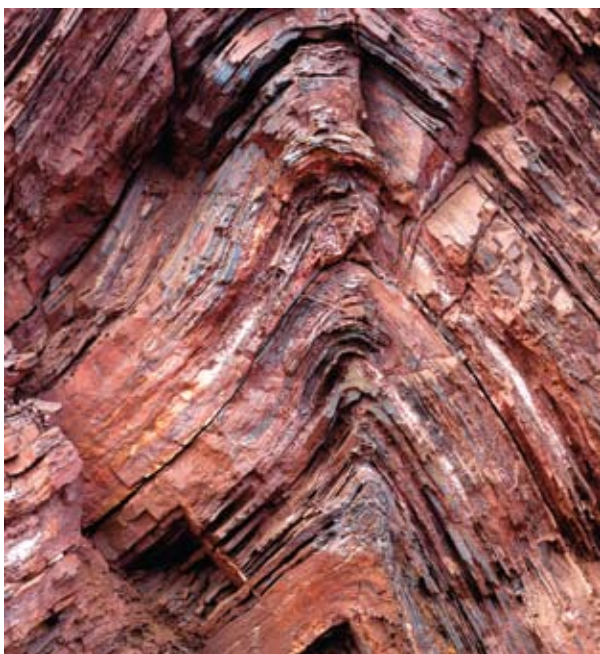
The Company is also committed to working with organizations such as IUCN and IIT- Kharagpur to highlight Tata Steel's environment conservation activities as well as learn from best practices offered.

Tata Steel, being a responsible corporate citizen, has maintained a proactive approach to the management of the environment. Its actions have been guided by the Tata Code of Conduct (Clause 8: Health, Safety & Environment), the Tata Steel Environmental Policy and the UN Global Compact Principles. It is committed to providing a healthy working environment, local environment quality and improving environmental performance well beyond regulatory norms and statutory requirements.

Environment protection and conservation philosophy was fully embedded since the initial stage of the plant. The firm and bold actions in this regard has made the

Company a unique identity in the Indian iron & steel industry. Tata Steel was the first steel plant in India where technological up-gradation programmes brought about significant achievements in its environmental performance over the years.

Energy and environment audits are conducted regularly to identify gaps in performance with the intent of bridging the same. Short-term and long-term plans are drawn with stretched targets to reduce specific energy consumption and environmental performance towards the world benchmark.

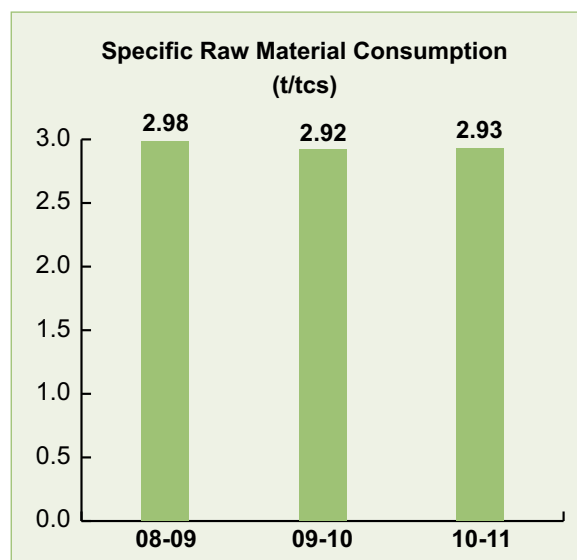




OPTIMIZING USE OF NATURAL RESOURCES

RAW MATERIAL CONSUMPTION

Tata Steel monitors its overall raw material consumption per tonne of Iron and Steel produced with the objective of conserving resources and reducing its ecological footprint. The specific raw material consumption for producing iron and steel at the Steel Works per tonne of crude steel produced is provided below.



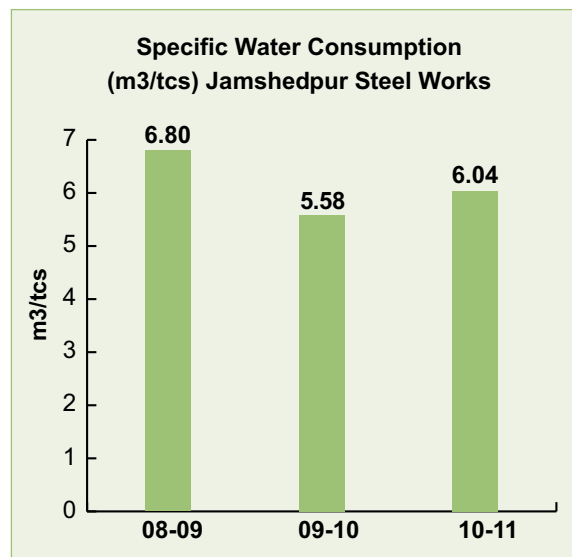
RECYCLED INPUTS

India is among the largest steel producers in the world with demand for steel driven by construction, infrastructure and automotive sectors. Given the demand for steel and the active market for used steel products in India, especially automobiles, very little steel

scrap is generated or returned as an input in the production process. This is the principle recyclable input material in steel production.

Water

Water for industrial and domestic usage at Jamshedpur is mainly drawn from surface water resources. The other source of water at Jamshedpur is a captive reservoir at Dimna having a capacity of 34.224 million m³, covering a catchment area of 92.6 sq. km. It is situated on the North-eastern side of Jamshedpur at a distance of about 10 kms and is meant for emergency water supply during the lean season. The specific water consumption per tonne of crude steel is presented below.



In 2010-11 as much as 35% of the water was recycled as opposed to 21% in 2009-10. No source of water is negatively affected by withdrawal.

The total water withdrawal during the period 2010-11 was 41.43 million m³ for Jamshedpur Steel Works, which also includes water used for expansion activities. This year also saw low rainfall in the area of 586mm, which is less than 50% of the normal rainfall in the region.

The Susungaria, Garamnala and Bara Ash pond wastewater recovery system at the Steel Works allowed 3.32 MGD of waste water to be recycled back into its service water system. This led to a reduction in withdrawal of total water from the Subarnarekha river.

At the Noamundi Iron Ore Mines chemical treatment of the slime water helped in providing clear water for reuse in the beneficiation process and compacting the slime to occupy less space. This reduced the requirement of both fresh water and land. Mine water is used for dust suppression around it.

Rain water harvesting at Ore Mines & Quarries

To conserve its water sources, reduce dependence on river water and also to attain self-sufficiency in water, a rain water harvesting site - an Aqua Park - has been developed at Noamundi. The park covers an area of over 1,000 m² with a watershed area of 1200000 m².



At Joda, geo-morphological, hydro-geological, remote sensing, geophysical and conventional water surveys identified potential recharge zones. Based on these inputs a large Storage-cum-Percolation Pond (SCP) has been constructed. A large diameter recovery well with scientifically designed weep holes is located where the ground water flow lines converge. The unique rain water harvesting project which takes advantage of the natural contours of the land maximizes the harvested water and helps increase the yield of the open wells and bore wells located downstream.

Waste Water Discharge

Tata Steel has always maintained the sanctity of the rivers and thus ensures that it discharges only treated effluents from the Steel Works and treated domestic sewage from the township of Jamshedpur to the rivers Subarnarekha and Kharkai. Two Sewage Treatment Plants provided in the township of Jamshedpur have adequate capacity to treat the entire sewage of the town. EIA studies carried out for 9.7 mtpa expansion plan at Jamshedpur found no significant impact on the aquatic eco-system.

Tata Steel's water conservation effort, which is now almost five decades old, has ensured that all its mines and collieries have closed water cycles with no discharge of wastewater, aside from negligible amounts of water being discharged for agricultural purposes, at the behest of the local community from Jamadoba collieries and rainwater accumulated in mines pits at the Dolomite mines pits being reused.

With increasing control on the production process & final treatment, the Steel Works has brought down the pollutant level and recycled 3.32 MGD of water in 2010-11. All the units in the Steel Works are provided with Wastewater Treatment Plants. Wastewater from various

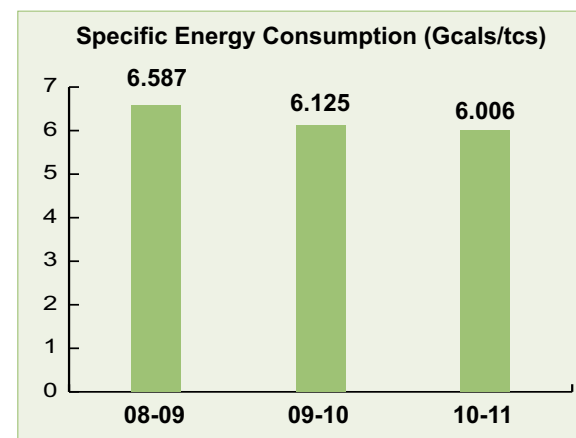
processes are treated with the best available physio-chemical methods and recycled in the process. Wastewater from the coke plant is treated biologically where organic pollutants are oxidised and decomposed by micro-organisms.

LOW CARBON FUTURE

In order to contribute to a sustainable world the steel industry must focus on innovations in production processes to reduce carbon emissions as well as to create products so that end users consume less volumes of steel to achieve superior performance.

The main challenge before the steel industry is Climate Change. The main contribution that the steel industry can make to a sustainable world is to work with steel-using industries to develop and market products that use less steel in terms of volume.

Tata Steel has seen a steady decline in its specific energy consumption. In 2010-11 the specific energy consumption at the Steel Works declined to 6.006 Gcal/tcs against 6.125 Gcal/tcs in 2009-10. The energy consumption at the Steel Works, Ores Mines & Quarries and West Bokaro Colliery also declined.





Carbon Reporting

CO₂ emissions account for more than 95% of the GHG emissions from integrated steel making facilities pursuing production through the primary route. Therefore, World Steel Association developed a methodology for CO₂ accounting and the methodology is widely used by steel makers globally. Tata Steel has adopted this methodology to track and report CO₂ emissions from its integrated Steel Works since 2009-10. The Company's other sites are at different stages of the assessment of respective carbon emissions.

Site / Scope	UoM	2008-09	2009-10	2010-11
1. Steel Works, Jamshedpur¹				
CO ₂ Emissions Intensity	tCO ₂ /tcs	2.65	2.50	2.51
Total Emissions	Million tCO ₂	14.98	16.43	17.30
Direct Emissions	Million tCO ₂	15.01	15.59	15.87
Indirect Emissions	Million tCO ₂	-0.03	0.84	1.43
2. Iron Ore Mines (OMQ)				
Direct Emissions	tCO ₂ e	28,614	32,531	38,731
3. Colliery - West Bokaro				
Total Emissions			338,002	365,380
Direct Emissions	tCO ₂ e		315,061	337,837
Indirect Emissions	tCO ₂ e		22,941	27,543

¹ worldsteel methodology

The CO₂ emission data for Jamshedpur Steel Works has been corrected based on Worldsteel Methodology with retrospective effect from 2008-09 onwards.

Study shows the following GHG emissions profile for Jamshedpur Works based on GHG protocol.

GHG	% of Overall Emissions
CO ₂	99.59%
N ₂ O	0.37%
CH ₄	0.02%
Others	0.02%

Climate Change Opportunities

Opportunities driven by Changes in Regulation

Under the National Action Plan on Climate Change (NAPCC) a framework for promoting energy efficiency in Industry is expected to be rolled out in 2011-12. Energy Saving Certificates (ESC) Trading under NAPCC may present an opportunity for Tata Steel.

Trading Certified Emission Reductions under the Clean Development Mechanism of the United Nations Framework Convention on Climate Change may also present opportunities for Tata Steel since it is pursuing several CDM projects. One project has been registered under UNFCCC and the first 17,610 CERs from UNFCCC is expected to be received by the Company in 2011-12.

Opportunities driven by changes in Physical Climate parameters

The principle raw materials used in steel making are iron ore, coal and lime stone. Tata Steel, draws these resources from captive mines and collieries and hence its raw materials security is less likely to be impacted by induced changes in natural resources.

Induced changes in natural resources related to climate change may increase the commodity price and raw material cost however given Tata Steel's raw material security these are likely to have lesser impact on its business compared to other steelmakers.



Opportunities driven by changes in Other Climate-Related Developments

The reporting site of Tata Steel is situated in India, a developing country where domestic steel consumption is anticipated to be robust for at least the next 20 years. Therefore Tata Steel has the leverage to engage in strategies for long term raw material security, installed energy efficient processes, phased out energy intensive processes and ongoing R&D activities.

The potential financial implications of the opportunity: Tata Steel, which has been executing actions for the adoption of energy and resource efficient processes and phasing out energy intensive and pollution prone processes since the 1980s, has now emerged as one of the most energy efficient steel plants.

Energy saved

Replacement of 42 conventional 250 watt HPSV Street Lights with solar street lights has resulted in annual savings of 45990 KWH or Rs. 206955 and replacement of 32 Conventional Electric Geyser with solar geyser have resulted in annual savings of 69120 KWH per annum or Rs. 311040 per annum at Tata Steel's Ore Mines & Quarries. The techno commercial feasibility study of the 3 MW grid connected solar PV power plant was undertaken at the Company's Ore Mines & Quarries. The project has been included in the major capital scheme for FY 12-16.

An annual savings of 3285 Kwh was also achieved at the Cold Rolling Complex (West) with three solar street lights. Plans to replace over 20-30 solar street light and use solar water heaters in the canteens are on the anvil.

Energy Audits at locations

Energy audits were carried out and the findings implemented to reduce auxiliary power. Energy efficient light fittings have replaced conventional fitting at all housing colonies of the Company and timers are progressively being used in all street lights and light fittings not required during day time. Where possible the Company is replacing furnace gas as fuel in the sintering process.

Climate Change Risks

The National Action Plan on Climate Change (NAPCC) of the Government of India stipulates 20-25% reduction in GHG intensity of GDP by 2020 from the 2005 level. Despite posting a commendable energy performance at the national level, new regulations to attain the NAPCC goal may affect the financial performance of the Company. Furthermore international mandates are being discussed that may affect the bottom line adversely. Tata Steel's operations are increasingly being affected by extreme weather events, which are the result of Climate Change. Events in the past have affected stability of electricity supply from outside. Sometimes it has resulted in cascaded failures of captive power generation facilities. The Company is investing in

augmenting its supply lines and introducing indoor electrical yards and substations to minimise the physical risk. When such events also adversely affect local communities and regions Tata Steel voluntarily engages in the restoration of amenities and rehabilitation of the affected population.

Potential financial implications of the risk

Forthcoming Energy Trading scheme, increase in the cost of power, raw material and transportation due to carbon related taxation, cross-border carbon tax, etc. may affect the financial performance of the Company.



GRI Indicators EC2



Conservation of Energy in the Steelmaking process

At Jamshedpur Works, CO₂ reduction initiatives are being pursued through commissioning of HiTAC technology based Reheating Furnace No.3 at Hot Strip Mill with regenerative burners, research on optimized Beneficiation of Raw Materials, trials of waste heat recovery from steel making slags through H₂ harvesting, improvement of sinter strength to reduce fines generation, improvement of coal injection in Iron Making, installation of Coke Dry Quenching facility at Battery No.5,

6 & 7 (2nd model NEDO project - erection phase), production of high strength steel for achieving lower emissions at downstream processes and erection of various carbon efficient processes (modern Blast Furnace with TRT, stove waste heat recovery & cast house granulation of slag, energy efficient agglomeration through Pelletization, Thin Slab Caster & Rolling etc. under expansion plan) for the future at the 10 MTPA level.

Energy Conservation measures taken :

- i. Waste heat recovery from Pressure Reducing & De-Superheating (PRDS) at Power House#5 resulted in additional 3 MW power generations.
- ii. Use of regenerative burners for lean gas (i.e., Blast Furnace Gas) at 3rd reheating Furnace of Hot Strip Mill.
- iii. Modification in LD gas export system, which has resulted in higher LD Gas recovery.
- iv. Execution of interconnection of Praxair 1 & 2 Plants to reduce Oxygen delay at Steel Making stage.
- v. Efficient use of by-product gases for Power Generation.
- vi. Higher availability of Top recovery turbine for Power Generation.

Impact of these measures :

Energy Conservation measures during 2010-2011 has resulted in achieving:

- i. Lowest ever Plant Specific Energy Consumption - 6.006 Gcal/tcs.
- ii. Lowest ever middling consumption - 14.16 kg/tcs.
- iii. Highest ever LD Gas Recovery - 50,697 Nm³/hr
- iv. Lowest ever Plant Power Rate - 356 kWh/tss
- v. Highest ever combine boiler efficiency - 85.13%
- vi. Lowest ever Fuel rate at Hot Strip Mill - 0.292 Gcal/t.
- vii. Higher Power generation through Top Recovery Turbine - 16.01 MW.

Additional investments and proposal for reduction of consumption of energy:

- i. Installation and commissioning of new LD Gas Holder (capacity : 100000 cum) and its export system.
- ii. Recovery of sensible heat of coke by installation of Coke Dry Quenching system in Batteries #10 & 11 at Coke Plant.
- iii. Installation and commissioning of Thin Slab casting & rolling (TSCR).
- iv. Installation and commissioning of 'I' Blast Furnace with Top Recovery Turbine.

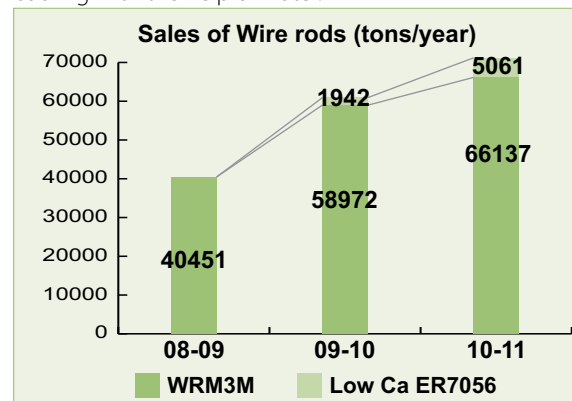
CO₂ emissions are reported in accordance with the worldsteel methodology for Tata Steel's Jamshedpur Steel Works. Other sites of the Company are currently gearing up for the assessment of their respective carbon emissions to be prepared based on the broad principles of the GHG Protocol.

Tata Steel has proactively been phasing out R11/R12 in all its locations. At all Raw Material locations R11/R12 have been phased out.



Low Carbon Wire Rod (LCWR) for high speed wire drawing to minimize the carbon footprint and conserve water

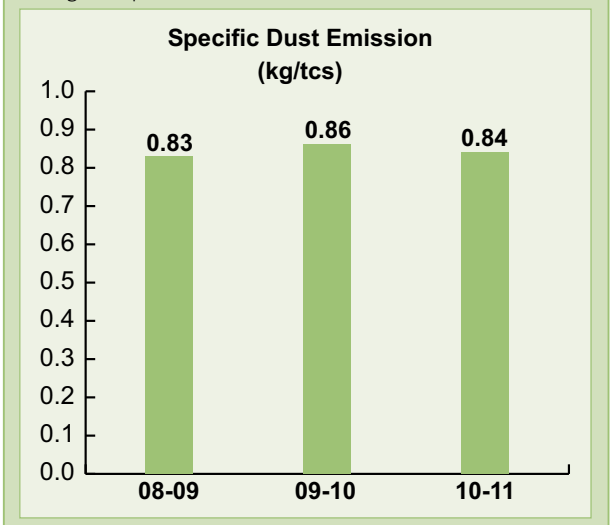
Low carbon wire rod (LCWR) is an important product category for Tata Steel. Its customers are brand leaders in the welding industry and they in turn are suppliers to the value added auto industry. The WR3M / Low Ca ER70S6 grades of wire rod are used to make continuous electrodes for TIG / MIG welding in the auto industry. Conversion of wire rod to wires involves two stages of drawing known as dry and wet drawing at the customer's premises. Productivity of the MIG wire plant depends on the speed of drawing in both stages. A higher speed results in higher productivity and lower electricity consumption per tonne of steel processed. WR3M grade can be drawn at a speed of 8-10 m/s whereas Low Ca ER70S6 can be drawn at speeds of 15-20 m/s leading to a 100% increase in productivity and reduction in use of energy. The Low Carbon Wire Rod has increased the productivity of Tata Steel's customers in the value chain thereby reducing power consumption and make-up water losses during cooling with the help of water.



Dust Emission

Dust suppression systems like dry fog and water spraying have been provided in all the potentially fugitive dust emission points. Air Pollution Control Equipments such as ESP, Bagfilters, Scrubbers, Cyclones have been provided in all operating units to control emissions. Constant surveillance is maintained to ensure effective performance of these units.

The ongoing 2.9 MTPA expansion at the Steel Works in Jamshedpur will introduce pollution control units designed to reduce the dust emission to 30 mg/Nm³ for ESPs and 10 mg/Nm³ for Bag filters against the statutory requirement of 50 mg/Nm³ ESPs. In addition, a large number of existing air pollution control equipments is being upgraded to meet the most stringent specifications.





Absolute quantities of emissions from Steel Works at Jamshedpur are monitored from identified point sources. The same is reported and tracked.

PRODUCTS & SERVICES

As a product, steel does not have any adverse environmental impact because it is fully recyclable. Steel has lower life cycle emissions compared to various alternative construction materials like cement, concrete or packaging materials like Aluminium. Most of Tata Steel's products are despatched with minimal or no packaging materials. A small quantity of gunny bags, wooden blocks, steel straps etc. are used in packaging and transportation whenever essential or desired by the customer. No packaging material is reclaimed from the customer.

TRANSPORTATION

Tata Steel has taken significant initiatives to minimize vehicular pollution and environmental impacts of transporting raw materials, products as well as members of the workforce.

- 1) Maximization of rail transportation for movement of raw materials from mines, collieries, ports or other manufacturing facilities
- 2) To reduce Carbon Dioxide emissions across its distribution network, Tata Steel is focussing on increasing the share of rail transportation, thereby reducing road transportation and its carbon footprint. All road transportation contracts now ensure that the age of the vehicle deployed for

moving Tata Steel's products is not more than 10 years as well as that it complies with all emission norms.

- 3) Movement of raw materials inside manufacturing facility through conveyor
- 4) Use of covered vehicles - HIVA (high capacity dumpers) and higher capacity truck-trailers for movement of spares and materials wherever road transportation is required to minimize pollution and fugitive emissions due to transportation
- 5) Central parking facility for two-wheelers and cycles at the three entry points to the Jamshedpur Works and transfer via free bus service to the workplace for members of the workforce
- 6) Disbandment of old company owned and hired vehicles (> 5 years) within the Jamshedpur Works
- 7) Periodically vehicular emission of company vehicles are undertaken.

Tata Steel is also working towards decongestion of the road traffic system to minimise the impact due to vehicle emissions. The Company is building a separate road along the periphery of Jamshedpur to limit heavy vehicle movement within the city thus reducing emissions due to vehicular congestion.

BIODIVERSITY

While undertaking significant new activities or expansions, the Company commissions experts to undertake Environmental Impact Assessment studies. The Environmental Impact Assessment study conducted for enhancing the total capacity to 9.7 MTPA at the Jamshedpur Steel Works indicates that there is no significant environmental impact on the surrounding ecosystem.

Tata Steel also takes measures to minimize any eventual damage to nearby habitats resulting from activities. A reclamation and afforestation programme ensures that habitats are restored and improved with extensive tree plantation. Mass plantations were taken up in many of its operational areas in India, including mining locations at Joda, Noamundi, Bamnival and Sukinda with the help of local people. Awareness campaigns are conducted to increase the understanding of local people on environmental issues.

Through its Environmental Policy, Tata Steel is committed to:

- Identifying, assessing and managing environmental impacts
- Developing and rehabilitating abandoned sites through afforestation and landscaping
- Protecting and preserving biodiversity in the areas of operation

GRI Indicators EN12, EN26-27, EN29



The lease areas for various units and the details of forest and non-forest land are provided below.

Land owned, leased or managed			
Units	Lease area (hectare)	Forest area in lease (hectare)	Non-forest area in lease (hectare)
Jamshedpur	5,094	Nil	5,094
West Bokaro	1,740	910	830
Jharia	2,230	Nil	2,230
Noamundi	1,160	762	398
Joda East	671	522	149

There are no World Heritage sites, sensitive areas or Biosphere Reserves within the operational areas of the Company. However, the mine leased areas and Dalma forest (situated close to Jamshedpur Steel Works at about 10 Kms) are rich in biodiversity. An area of 25 hectare is under reclamation at Jamshedpur.

Preservation of Biodiversity and Habitats

The Tata Steel Zoological Park at Jamshedpur, the Dorabji Tata Parks in Noamundi and Jamadoba have been developed with the purpose of preserving the bio diversity of these regions as well as generating awareness among the local communities on the need to protect local eco systems.

The zoo is currently home to 380 birds, mammals and reptiles. Therefore efforts are continually made to preserve these animals and help them propagate in captivity. Endangered animals like Indian peafowl, red jungle fowl, black buck and leopard gave birth to young ones during 2010-11 confirming the commitment of Tata Steel towards providing an optimal habitat and healthcare required for preservation of endangered species.

A sacred grove has been created within the zoo to protect and conserve fruit bats (*Pteropus giganteus*). Recent surveys by zoologists have claimed that the species has become locally extinct from the Singhbhum region of Jharkhand and only remnant population is surviving inside the Tata Zoo campus. As a result of the protection provided by Tata Zoo, fruit bats have been breeding and currently their population stands more than 800 in numbers.

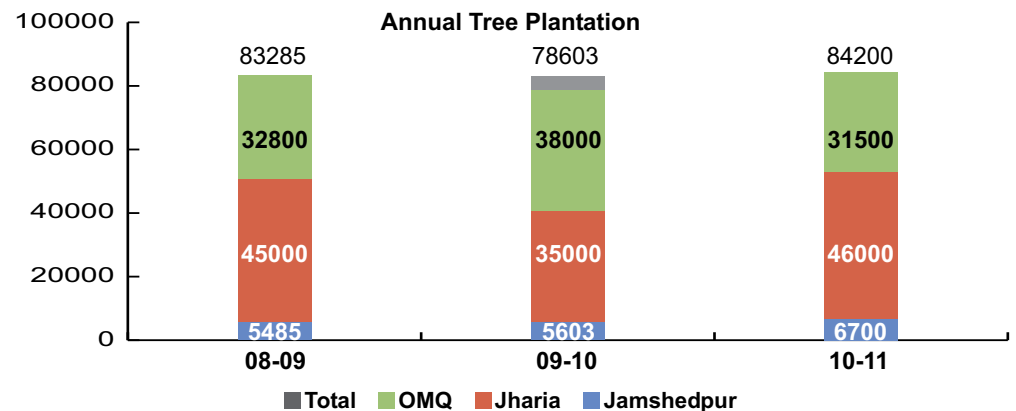
Another initiative taken at the Zoo is a butterfly enclosure

to protect the endangered butterflies of the Chotanagpur Plateau. Jamshedpur is located near a major wildlife sanctuary. Hence it also receives orphaned and rescued wild animals from the forest department. The animals are then taken care at the Zoo Hospital nursery until they are fit enough to be released back to their natural habitat and fend for themselves in the wild.

Plantation & Conservation

Jamshedpur Township where the Steel Works is located has maintained a rich green cover.

Tata Steel has always made constant efforts to maximize the green cover in all its areas of operations. At its iron ore mine in Noamundi an entire hill has been reclaimed with forests thick enough to lead visitors to believe it had never been touched. This hill is now home to several rare species of birds.

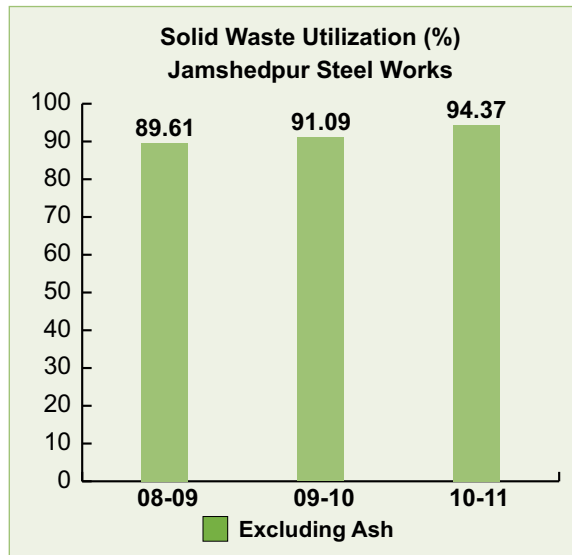




Solid Waste Management

Various initiatives are underway to address Tata Steel's current challenges improving the utilization of solid waste. Utilization of LD slag has been a major challenge and many initiatives such as use in cement manufacturing, construction metal, pavement block making, soil conditioner etc have been taken up by Tata Steel.

In the last two years Tata Steel has utilized 100% of the blast furnace slag generated at the Steel Works.



Solid waste utilisation is depicted in the graph above.

Washery rejects generated at the West Bokaro and Jamadoba Collieries are used as fuel in the power plants. Fly ash generated by the power plant is utilized by fly ash bricks manufacturing plants and for land reclamation. Bottom ash along with sand is used for underground mine stowing.

At West Bokaro bio remediation of oily sludge is undertaken to convert it to manure.

Hazardous waste generated at the Steel Works is either being sold to registered recyclers, land filled or reused

in the production process itself.

ENVIRONMENTAL COMPLIANCE AND EXPENDITURE

During the reporting period no monetary penalty, fines or non-monetary sanctions were imposed for non-compliance with environmental laws and regulations.

The Company has through its brownfield expansion at the Steel Works invested extensively technology and equipment to address the environmental impact of its current operations and future capacities.



Labour and Human Rights Practices

Good people, Good for growth

"The welfare of the labouring classes must be one of the first cares of every employer. Any betterment of their conditions must proceed more from the employers downward rather than be forced up by demands from below, since labour, contended, well-housed, well-fed, well-brought up and generally well-looked after is not only an asset and advantage to the employer, but it also serves to raise the standard of industry and labour in the country. In looking after the labour of today, we are also securing a supply of healthy and intelligent labour for the future."

Sir Dorabji J. Tata, 1917
Chairman, Tata Group





MANAGEMENT APPROACH

Tata Steel's planned technological upgradation and expansion of its steel manufacturing capacity continued in 2010-11. To meet the growth in its manpower requirements, the Company heightened its focus on adding greater depth to its talent pool. It pursued the twin strategies of right skilling of its employees and recruitment of technically proficient professionals. While doing so the Company infused greater diversity in its workforce, making it more representative of its communities. It continued to adopt positive discrimination in favour of less represented sections of society such as women and indigenous communities.

Growth has put two sustainability issues at the forefront for all organisations: one, the demand for skilled labour will outstrip supply and two, the feverish pace of growth in the organisation may result in people feeling disconnected with the process of value creation.

One of four goals, therefore, in Tata Steel's Vision 2012 is to be an Employer of Choice by pursuing the following actions: embed performance culture, build leadership capability, nurturing talent, global talent sourcing and building technical capability.

Tata Steel has always held the view that people are its greatest asset. Its culture of continuous innovation has ensured that both officers and non officers actively participate in the process of value creation through knowledge management, Quality Circles, small group activities and Total Quality Management initiatives.

Promotion and acceleration of TQM activities in 2010-11 led to the introduction of customized daily

management approaches for Change Management, Adjusted Process and maintenance function. KPI drill down was undertaken till the front line worker. Under its accelerated TQM initiative to enhance EBIDTA 'Kar Vijay Har Shikhar' Tata Steel enhanced the capability in its Marketing & Sales organisation to serve this market effectively and ingrain the SME (Small & Medium Enterprises) way in the organisation. The Company also developed and introduced a structured innovation process to create the innovation culture and development of an innovative mindset.

To enhance the leadership capability of its people Tata Steel India, along with the Tata Steel Group, developed and launched Group Knowledge Management and Group Key Performance Indicator.

This performance culture ensures that employees at all levels and locations remain invested in sustained improvement and are enthused by the contribution they make to the growth and progress of Tata Steel. During the year the Company's Health & Safety Department rolled out the Wellness@Workplace programme in several locations. Tata Steel has made women a special focus group under the programme to encourage them to pay close attention to their health while fulfilling the multiple roles they have to manage at work and at home.

This section of the report covers all operations of Tata Steel India.

Our Workforce

All 34912 employees of Tata Steel are full time employees of the Company. Tata Steel added 1364 non officers and

584 officers to its workforce in 2010-11 while 1144 non officers and 346 officers separated from the Company. In 2010-11, the Company had 7762 contract labour at Jamshedpur and 1960 Contract Labour at its Raw Material Locations. Almost all new employees were recruited for the current brownfield expansion at Jamshedpur. Greater emphasis was placed in hiring from indigenous and marginalized communities. Of the total number of resignations, 203 or 4.45% of the officers resigned, while the Company continued to maintain its excellent track record of retention of non officers with only 0.16% opting to separate from it.

Employee Retention and Development

Over recent years, employee turnover has slowly decreased and the rate of turnover at less than 10% is not of significant concern. Resignations are higher among officers and even though there is a decreasing trend, Tata Steel continues to proactively manage attrition and ensure that it retains its valued workforce. The Company continuously monitors KPIs for employee happiness and engagement through periodic dip stick surveys conducted by external agencies and takes concrete actions for improvement.

Employee Benefits

Tata Steel has pioneered many firsts in the Indian industry and is proud of having adopted many employee related policies and practices much before they were universalized through a convention of the ILO or their enactment as a law in the country.



This legacy of pioneering employee welfare practices has today resulted in a rich array of special benefits for its employees, which ensure that they and their families are well looked after. Free medical facilities, housing facilities, incentives for higher studies, Family Benefit Scheme, Tisco Employees' Pension Scheme (TEPS), Opportunities for Sabbaticals, Maternity Leave, Holiday Homes, Tata Steel Executive Holiday Plan (TEHP) and Early Separation Scheme (ESS) are assured to all employees of the Company.

Of the benefit plans, post retirement gratuity plan is funded and the others are not. Obligation under unfunded defined benefit plans as at 31st March 2011 was Rs 7,678 million. Assets of gratuity fund as at 31st March 2011 were Rs 11,739 million and the liability was Rs 15,367 million. The difference of Rs 3,628 million was recognized as a liability as at that date and discharged subsequently. Asset values are at fair value and liability is as per actuarial valuation. Gratuity Scheme is fully funded. Any shortfall observed in funding on the date of annual valuation as at 31st March of the year is made up in the subsequent year. Employees contribute towards Provident fund and TISCO employees' pension scheme as per statute/ scheme.

Tata Steel's compensation philosophy does not differentiate between male and female employees. The remuneration is linked to responsibility levels and performance. For the same work or work of similar nature male and female employees are paid equal remuneration.

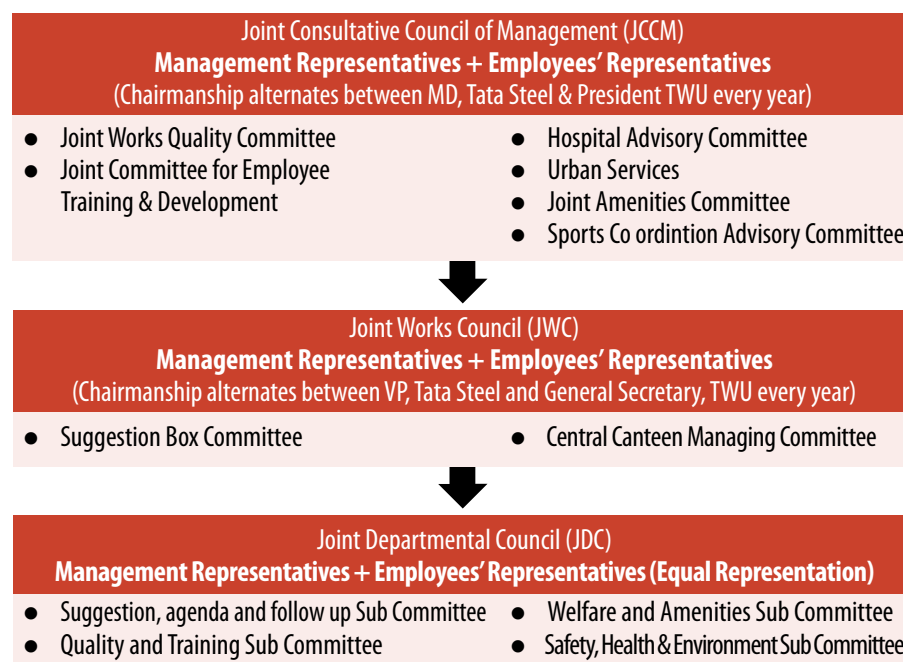
Labour Management Relations

Tata Steel respects the employees' right to exercise freedom of association and collective bargaining. It pioneered the system of joint working and collective bargaining in India, which since 1956 has ensured that every employee is able to exercise this right without any fear.

The Company believes that a healthy Union is an asset for it. Trade Unions are therefore present and encouraged at all locations. All the non-officers (~87% of the total workforce) are represented by independent trade unions.

As on 31.3.11	Number of Unionized Employees	No. of Unions across all locations
	30350 (~87% of total workforce)	26 Unions

Collective bargaining issues are discussed with the recognized unions at the various locations through scheduled meetings. Collaborative relationships and strong employee engagement have been integrated into Tata Steel's culture and the performance culture specifically encourages independent expression and fearless debate. Tata Steel India reached the milestone of 82 years of industrial harmony and peace.





Safety initiatives undertaken by Tata Steel in the past three years have helped improve its Safety Performance. These include Behaviour Safety Management, Process Safety Management and Occupational Health.

Joint Consultations

Tata Steel is a pioneer of Joint Consultation in India. A unique system of Joint Consultation has been in place in Tata Steel for more than 55 years in which both management and employee representatives consult each other at all levels on matters relating to the progress and prosperity of the organisation.

It is a three-tier system at Tata Steel, which fulfills the need for self-expression of the Company's employees. Through this system employees discuss various issues related to production, productivity, quality, safety, welfare, training, etc. (excluding issues of collective bargaining and individual grievances). A minimum of 56 Joint Departmental Council meetings are held in a year.

Minimum notice periods regarding organisational changes are specified in alignment with the policies of the Company, agreements with the Unions and Works Standing Orders. These are suitably communicated either directly or through the Union.

Occupational Health & Safety

Health and Safety topics covered in formal agreements with the trade unions

Health and Safety related topics are suitably covered in formal agreements with all the Unions, with the Duties of Management detailed in the agreements. Both the Company and the Union are committed to creating a healthy and safe working environment for all employees and jointly promoting the effective functioning of bipartite forums and statutory committees.

The Company has eight policy making committees on Safety & Health to address diverse stakeholder groups and facets of Health and Safety. Divisional Implementation Committees focus on the roll out of policies, practices and actions across the Company, with 40 Area Implementation Committees at the departmental facilitating implementation and review of all Health and Safety practice and standards.

Region		08-09	09-10	10-11
Manufacturing plant at Jamshedpur	Fatality	5	1	2
	LTIFR	0.90	0.75	0.42
Raw Material Division	Fatality	1	3	4
	LTIFR	0.51	0.36	0.49
Other locations & Profit centre at India	Fatality	0	0	2
	LTIFR	0.54	0.29	0.17
Tata Steel India	Fatality	6	4	8
	LTIFR	0.80	0.56	0.44

Note: Lost time injury is an injury when a person does not join back duty in his next scheduled shift and Injury Frequency Rate is number of injury per million man-hours worked

Safety of the workmen hired by the Company's contractors is driven through the six step process of its Contractor Safety Management programme. Robust practices helped Tata Steel construct several facilities under its 3 MTPA expansion programme. The Company was recognized by World Steel Association for this effort in the year 2010. For the second year, Tata Steel's Site Safety Supervisor training programme enabled it to train and deploy Safety supervisors at various construction and maintenance sites. In the two years, 120 employees from community have been placed under leading contractors as a site safety supervisor.

All Contractors workmen must undergo a three-day mandatory Safety Training Module before being granted a gate pass for entry to the works. The training is conducted at the Labour Training Centre.



The focus of Tata Steel's Occupational Health strategy is to: first, improve the environment within the Works through change in technology and process; second, ensure use of Personal Protection Equipment at all times to improve their health status through awareness and training programmes; third, continuously monitor the health of its employees to prevent possible health issues from arising.

The general health status of the workforce is a key priority for the top management of the Company. A total of 256 training and awareness programmes were conducted in 2010-11 through which 12684 employees were covered. The two principle areas of training were CPR & First Aid and Health & Healthy Lifestyle.

Wellness @ Workplace

Premature mortality because of occupational health and medical illness is an alarming situation in industries accounting for 60% of all deaths in our Country. Therefore, Tata Steel launched the 'Wellness@Work place' initiative in November 2010 to improve the health of all its workforce. Seven 'ACT' team were constituted for the successful implementation of this programme. Its principle objective is to control life style related diseases, minimise workplace hazard through implementation of Industrial Hygiene Programme and address MSD and other workplace ergonomics issues through Industrial Ergonomics.

Preventive health surveillance of employees and contract employees

Item	2008-09	2009-10	2010-11
Health check up of employees	12273	12,107	12048
Health check up of contract employees	32104	36,702	56943
Audiometric Examination of employees.	3876	4034	4362
Eye Examination of mobile equipment operators	2541	2820	2690
Cardiac risk assessment by cardio profiler of employees	1360	1302	1053
Physical Fitness test of Crane Operators	NA	172	189
Special Medical Examination of persons working at height	4477	4052	4692

Mitigation and prevention of serious diseases

Tata Steel's Core Group AIDS has developed effective responses to the threat posed by HIV/AIDS. Awareness Programmes are included in the activities of the Joint Departmental Council, covering all its employees, as well as its community interventions. A single window health delivery centre Sneh Kendra and support to people living with HIV/AIDS are important initiatives which the Company continued to offer in 2010-11.

An Industrial Hygiene Study was initiated at the Tata Steel Works in 2010-11 to understand the nature of hazards, their routes into the body, their target organs and to determine measures to control, reduce, and eliminate workplace health hazards.

A Critical Care Ambulance was acquired for the Steel Works to provide treatment at the workplace. It has an automatic loading stretcher, facility for Oxygen therapy, monitors for vital signs, Transport Ventilator & Defibrillator to manage critical cases, Head Immobilizer and Spine

Board for trauma cases and a Vacuum Splint Kit. Tata Steel also engages with its vendors to educate and train their employees. It is currently imparting training to approximately 15000 drivers per year on road safety and defensive driving. The Company also assists drivers to maintain a healthy life-style through various health camps. On an average 10000 such employees under-go medical checkup at various camps organised by it at Jamshedpur and other locations.

People Development

The objective for Learning and Development is capability building of employees, with the foremost ground rule being to imbue the Tata values in them through the training programmes. The Competency Framework for Officers, which cuts across all competencies, encapsulates this ground rule.

Committed to upholding its values, the Company's training programme placed special emphasise on ethical practices and behaviour not only by existing employees



but all those who join it through the year. All new recruits, including at entry level and or lateral positions must undergo an Induction programme which has specific sessions on the Company's value system and Code of Ethics.

Furthermore, ongoing modules of the Learning and Development programmes have illustrative case studies and true life stories, constituting examples of the Company's employees, to depict the importance of values and ethics.

Tata Steel recognises that developing its people will help it to retain a motivated workforce in a competitive environment.

Training needs for non-officers are captured through the concept of the 'Four Quadrant Method' across the organisation. In this process, the critical skills required to perform a job are identified and the employees are mapped against those skills by the Positional Training Facilitators, mentors or immediate supervisors. Based on the gap between the desired skill level and the existing skill level of employees, training needs are identified and training is imparted accordingly. The process also provides a managerial tool for reviewing training effectiveness. During the reporting year 181 experts were created under the 4Q model.

Till 2009-10, Tata Steel followed the PDP (Personal Developmental Plan) process, which was integrated to

the performance management system, to select training programmes from a predefined list of training programmes. These could not cover all identified developmental needs of employees. Learning from this, the Company decided to have a more holistic approach to identification of developmental need and delivery of training. This approach was to facilitate a more focussed discussion between the individual and his superior on his or her developmental needs.

Training needs for officers are now processed within the framework of 70:20:10, which encourage a holistic approach to Learning and Development.

Tata Steel has in-house training facilities both for technical and managerial training, through the Technical Training Institute (SNTI) and Tata Management Development Centre (TMDC), respectively. Advanced level training requirements, both technical and managerial, are met through external programmes.

Tata Steel has used e learning training modules since used 2005. In 2010-11 a total of 1850 employees were trained through e learning modules. E-learning modules continue to remain a unique approach in the steel industry.

To make the learning more 'practical & live', Digital live workshops are arranged with eminent faculty from academia on managerial topics. Programmes such as "Performance Feedback" allow all officers to receive

necessary inputs before the feedback is to be imparted. Articles, video clippings, focused themes are additional knowledge materials provided through the training website. Special themes such as on "Values" and "Ethics" are featured.

Senior Management Development programmes on Leadership are imparted and coordinated by TMDC with the help of in-house faculty as well as external reputed speakers. In house programmes such as 'Preparing for Leadership', Value Based Leadership ' include sessions on ethical leadership and Tata values, which enable the Company to nurture and keep itself aligned to its values.

Capacity building also takes place through Knowledge Management portals in which almost all officers participate.

The Company also has a Directed Learning Policy wherein it allows officers of the Company to take on higher professional education which is subsidised by the Company.

Training needs for Suppliers/Vendors

Some of the training imparted to the Company's suppliers, vendors and contract workers are SA8000, Safety Training, OHSAS, and TCOC.



Special training initiatives under Total Quality Management

- 181 experts were created using the Toyota 4Q model (CCPM: 58, TOC: 10, PSTA: 65, DM: 40, MASS: 8)
- Senior Management and MD Diagnosis assessors were trained on Policy Management and "Asking Right Questions".
- Module on A3 thinking in the organisation was developed and imparted
- Customized training on advanced statistical tools for Operations and Marketing & Sales was undertaken
- A special module on TQM was created for lateral hires

The table below provides data on average hours of employee training in Tata Steel.

Key Performance Indicators		2008-09	2009-10	2010-11
Duration of Training (Mandays)	Technical	125260	108100	128530
	Managerial	7721	10953	13003
Number of Trainers (Technical)	Internal	57	55	55
	External	194	210	261
Number of Trainers (Managerial)	Internal	5	5	5
	External	35	35	40
Number of Persons Trained	Officers (Technical)	1614	1309	1033
	Officers (Managerial)	1073	1729	2959
	Non-Officers	7758	5975	8345
Total No. of persons trained		10445	9013	12337
% of employee trained		30%	26%	35%
Duration of Training (Hours)	6.25	831131	744081	884581
Total No. of Employees		34918	34440	34912
Training (Hours per employee / year)		24	22	25

Item		2008-09	2009-10	2010-11
Quality Index (5 point Scale) (Technical)	Programme	4.7	4.7	4.72
	Faculty	4.86	4.77	4.6
Quality Index (5 point Scale) (Managerial)	Programme	4.52	4.53	4.55
	Faculty	4.35	4.5	4.5

Tata Steel follows the Kirk Patrick model, which has five stages of evaluation E1 to E5, to understand the effectiveness of training imparted and satisfaction level of trainees. In 2010-11, Stage E4 – Effect on Business Result was rolled out in two units of the Company.

The details of the methodology adopted are:
E1 – (Reaction Evaluation) - It is ensured for all programmes. The parameters are (i) Programme Quality Index and (ii) Faculty Quality Index Analysis of feedback received from training:

E2 – Learning Evaluation – It is ensured for all skill development programmes

E3 – Performance evaluation – It is ensured for all programmes. Here the KPI linkage is established with business at the time of identification of the programme.

E4 – Effect on Business Result (KPI) – New Initiative-pilot, in two units (LDI & Coke Plant)

E5 – Return on Investment (ROI) – Plan to do in future for the JETs and GTs who undergo technical training programme has been launched. In the initial year, employees are subjected to an examination before placement into departments which reflects the effectiveness of training.



A series of programmes for lifelong training, including sustainability awareness and training, internal knowledge sharing sessions and participation in the Tata Group initiative on environment and Climate Change was undertaken in 2010-11.

Topic for Key Training	Duration of Training [hrs or days]	Trainer(s) [Internal or External]	# of Persons Trained	Description of Persons Trained [Internal or External]	Level of Persons Trained
Finance for Non Finance Executives	36	External	31	Internal	Officers
Building Winning Teams	198	Internal & External	265	Internal & Assoc Cos.	Officers
Interpersonal Communication Skills	109	Internal & External	158	Internal	Officers
Supply Chain Management	24	Internal & External	23	Internal	Officers
Management Awareness Programme (AIWC)	12	Internal	22	External	Officers

Training Hours per Employee per Hour*	2008-09	2009-10	2010-11
Officers	5.88	6.96	7.92
Non Officers	16.98	13.74	16.56

* Considering 6 hours training per day

Performance Management

Tata Steel's Performance Management System comprises an annual cycle of performance management, commencing with the development of personal Key Result Areas and specific targets linked to business planning, safety and quality initiatives. Each officer has a mid-year review and annual evaluation which provides feedback on his or her performance.

Meeting the career aspirations of non-officer

Tata Steel instituted a new Officer's level (IL-6) to engage qualified talent in the non-officer category. This new level handles transactional jobs performed by Diploma holders

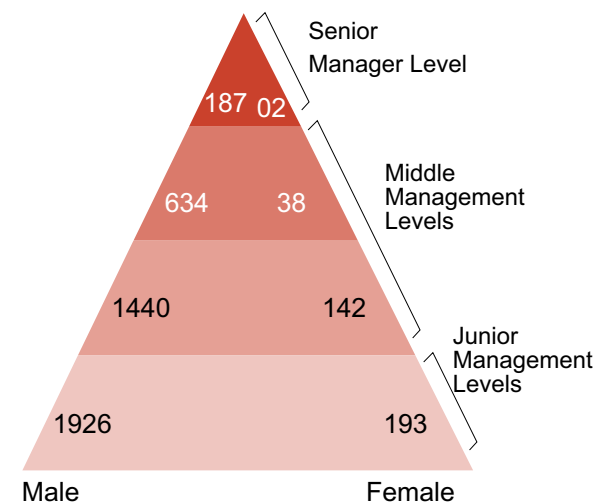
who have some experience in the organisation. In order to strengthen the managerial capability of selected candidates, a two week training programme is conducted at TMDC before their placement in respective departments.

Diversity and Equal Opportunity

Workforce diversity

Tata Steel believes that employees from different backgrounds and of different genders, ages etc, bring unique sets of capabilities for improved performance of the team and encourage the formation of a diverse and cosmopolitan workforce.

The gender wise distribution of the officers at various levels in the governance structure of the management is shown in the pyramid below:





In 2009-10 Tata Steel had launched SWATI (Steel women Aspirational Team Initiatives) to enable its female employees both officers and non officers, to realise their aspirations.

A structured mechanism, it has core committee and nine sub -committees across the country.

The main initiatives of SWATI are

- ◆ Legal Awareness Program
- ◆ Health Education Program
- ◆ Personality Development Program
- ◆ Women Empowerment Program - TWU
- ◆ Computer Literacy
- ◆ Empowerment through Sports and Adventure Sports

During the year, the internationally know speaker Mr Sam Swaminathan was invited by SWATI to speak to its member at a seminar on "Leading Ladies - The New Reality."

Seminar faculty were invited from the premier management institute XLRI for a counseling programme cum workshop.

SWATI also regularly nominates its members for programmes and workshop hosted by "Women in Leadership."





MANAGEMENT APPROACH

Upholding human dignity is a fundamental value enshrined in Tata Steel's CSR & Accountability policy. The Company abides by the Universal Declaration of Human Rights; The United Nations Global Compact principles and the ILO conventions, and is certified to SA8000. The metaphor for SA8000 management system implementation in Tata Steel Works is similar to creating a ripple with enlightened partners, employees, vendors, suppliers, and non-governmental organizations to generate a wider social impact through stewardship. Progress on this cross-functional initiative involving key roles from the industrial relations, procurement, safety, and occupational health departments, among others, is tracked through various indices such as external audits of suppliers and medical check-ups of employees, and supply-chain workforce to cite just a few examples.

Tata Steel also supports the rights of all people to the basic amenities of life including safe water, health care, a healthy environment, education and collective bargaining.



The Brownfield Expansion Project in Jamshedpur

It is the largest ever undertaken at the Jamshedpur Works, requiring a large volume of construction work to be carried out by contractors and their workers. The SA8000 auditable framework guides awareness-raising towards improving working conditions with special emphasis on not engaging child or forced labor; ensuring safety and occupational health; strengthening statutory compliances pertaining to payment of wages and working hours, and creating a humane work environment across its operations. These practices in particular have helped secure decent work conditions for the construction workers engaged by contractors in brownfield expansion work.

The Greenfield Expansion Project at Kalinganagar, Odisha

The set-up of Kalinganagar, the 6mtpa Greenfield expansion plant, has brought the displaced families into Tata Steel parivar or 'family.' The Resettlement and Rehabilitation (R&R) scheme named Tata Steel Parivar has been designed to provide fair compensation and ensure the displaced families are provided with practical and emotional support to enable them to adapt to their new surroundings.

Working conditions for employees and supply chains are primarily managed through the standard Social Accountability 8000, which is based on the Universal

Declaration of Human Rights and International Labour Organisation conventions. Both direct employees and supply chain labour are considered stakeholder groups in the workplace context. Tata Steel Works attained SA8000 certification in 2005 (and got re-certified in 2007 and 2010) to this standard. The Sukinda unit is the first mine to be SA8000 certified. Regular third party and internal audits under SA 8000 are conducted to ensure compliance with not only human rights standards but also other labour practices.

Extending Human Rights Compliance in Supply Chains

All contractors are screened on human rights compliances and are mandated to give consent to compliance to SA8000 clauses and Tata Code of Conduct.

The Company initiated third-party audits in 2005-06 on SA8000 clauses for its principal vendors and suppliers. The Tata Steel SA8000 Vendor Assessment Protocol© was especially formulated for this purpose and, since 2005, has served as the yardstick for compliance measurement on different SA8000 aspects. A comparative rating of vendor capability is generated automatically depending on their scores across the nine clauses. Corrective and preventive actions are then instituted by the vendor and verified by the auditors within a specific time-frame. Improvements have been seen in documentation and record keeping of statutory

and basic provisions such as age verification, wages, and attendance register. Some vendors have also instituted internal policies on disciplinary practices and contracting, which were not in place previously.

No Child Labour

Tata Steel employs no child labour. The Company's recruitment process requires furnishing appropriate proof of age for employment. The SA8000 clause on child labour guides communication to vendors and stakeholders that employment of persons only aged 18 and above is a precondition to partnering with Tata Steel, and that, in the event of discovery of a violation by vendors within or outside the company premises, liabilities for the education of the child until completion of high school will accrue to the defaulting party.

Prevention of Child Labour: Going beyond statutory compliances, the Company supports programmes in the community for mainstreaming school dropouts and assisting in the delivery of better quality of education to prevent children from coming into the labour force.



SA8000 & Human Rights Training

In ensuring that requirements of SA8000 and Company policies are understood and implemented, classes are conducted at the in-house technical institute, with special modules geared towards new hires. In 2010-11, in addition to ongoing departmental sessions, approximately 1300 new recruits were trained on human rights, a mandatory aspect of their orientation.

Equal Opportunity

To further strengthen Tata Steel's equal opportunity employer practices, resulting from surveillance audits feedback, role of Company's Ethics Counselor was broadened to serve as Ombudsperson on all SA8000 aspects; a Women Empowerment Cell representing

women from Company rank and file constituted; and programmes to raise awareness on legal aspects extended beyond employees to cover women contract labour.

Security workers are trained on human rights relevant to security procedures, such as Right of Search, Right of Arrest, Safety, Weapon Handling, Rescue, etc. Additionally workers are trained in SA8000, OHSAS, Works Standing Orders, customer orientation, motivation and positive attitude.

Indigenous Communities

The Company's aim to respect and protect the rights of indigenous communities is particularly relevant in new

operations. In addition to respecting legal rights, social, cultural and economic rights are also supported through the policy of Affirmative Action and philosophy of Inclusive Growth to help indigenous communities - Scheduled Castes and Scheduled Tribes in India - reach the standards of Human Development. Through various activities in India, the Tata Steel Rural Development Society and Tribal Cultural Society help them to benefit from economic opportunities, whilst respecting and promoting the social norms and cultural practices which are important to these communities. No violations or grievances were reported with regard to right of indigenous communities. Further information about these activities is supplied under Social Indicators.

Tata Steel Recertified to SA 8000 standard

Tata Steel Works received the Social Accountability 8000 Certification for the third time on August 27, 2010 at a gathering held in Jamshedpur, India. The Company has achieved three successful cycles of SA8000 certification in 2004, 2007 and 2010, as SA8000 certification is up for renewal every three years.

Present at the ceremony were Mr H M Nerurkar, Managing Director of Tata Steel; Mr Sanjiv Paul, Vice President of Corporate Services at Tata Steel and Chairman of the Managing Review Committee of

SA8000; and Mr Raghunath Pandey, President of the Tata Workers' Union.

During his acceptance speech, Mr Nerurkar congratulated all employees and the core SA8000 team for helping to achieve this feat, and cautioned that as years pass, the norms to attain such certificates will become even more stringent and hence the Company must strive for more improvement. He also mentioned the need to continue with the guidelines set forth by the first Chairman of the Company, Sir Dorabji Tata, over

100 years ago. This ceremony on August 27 was especially symbolic, as it marked the 151st anniversary of Sir Dorabji Tata's birth.

Additionally, Mr Paul noted that in the future, Tata Steel would also focus on the service areas, and that the SA8000 standard would require continuing improvement in communication to contractors, suppliers and vendors.



SOCIAL PERFORMANCE

Management Approach

Tata Steel has for over a century followed sound and ethical business practices, inspired by a commitment to return to society a fair share of the benefits created. The Company continues to retain this philosophy by making its communities beneficiaries of the economic activity generated by it through both direct and indirect opportunities for distribution of economic value. Tata Steel believes that striving for leadership and business competitiveness enhances its capability to improve the quality of life of its communities.

In the initial years, Tata Steel's CSR interventions were more as a 'provider' to society where the community was given support for its overall needs, both for sustenance and development e.g. distribution of medicines, assistance to youth for education and sports; free distribution of seeds/fertilizers, farm equipments, to name a few.

Gradually, the shift in approach has been towards playing the role of an 'enabler' where the focus is on building community capacity through training programmes; engaging them as partners in project implementation; helping them link with different agencies for implementation at the village level; focusing on providing technical support rather than giving aid, etc.

Tata Steel's principle thrust areas for social change are Sustainable Livelihood, Health, Education and Infrastructure, Ethnicity, Youth and Women Empowerment. The Company also engages in a wide range of initiatives to aid and assist local communities and governments in key areas of impact such as the prevention and mitigation of HIV/AIDS, and relief and rehabilitation in the event of natural calamities.

Tata Steel's expenditure on social activities is a pre budget exercise. The Company's objective is to impact a million lives by improving the socio-economic status of the community.



Tata Steel's Conduct

Tata Steel's commitment to the community has been governed by the ethical business principles and practices followed by it as an article of faith since the inception of the Company. For the first time in 1998, these principles were articulated and documented in the form of Tata Code of Conduct by the Tata Group. Simultaneously, the Company's values were also identified which were - integrity, respect for individual, credibility, trusteeship and excellence. By the year 2008, the Tata Group had assumed a global persona and hence a need was felt to include global focus areas in the Tata Code of Conduct. The revised Code was released on October 1, 2008.

While the Company has been following a policy of improving the lives of the communities where it operates and zero tolerance for unethical conduct, the revised Code places additional focus on corporate citizenship as well as the issue of bribery, corruption and creation of an appropriate anti-bribery and anti-corruption regime with specific clauses being added to it.

A founder member of the United Nations Global Compact, Tata Steel abides by its principle on working against corruption in all forms, including extortion and bribery. The Company is influenced in all its actions by the Universal Declaration of Human Rights, International Covenant on Civil and Political Rights, best practices and international declaration related to indigenous rights, including the constantly evolving methodologies

suggested by the Tata Group Forum for Affirmative Action to assimilate these communities within the mainstream. In addition, it is guided by its own Affirmative Action policy.

Community Initiatives

Tata Steel has always held the view that industry cannot be an island of prosperity within a sea of depravity. Unless all sections of the community derive benefits from economic growth, development cannot be sustainable.

Definition of Social Inclusion:

Tata Steel's presence has led to several communities in urban and semi-urban areas of Jamshedpur becoming progressively empowered. In these communities, Tata Steel is a proactive participant as an enabler to development. A large proportion of its communities across the three states of Jharkhand, Odisha and Chhattisgarh, among the poorest and most backward states in the country, comprise indigenous tribes, who have for centuries been marginalized and exploited. Here because the economic divide remains significant Tata Steel is both a proactive participant as an enabler to development as well as takes the lead to provide these communities with the basic amenities to improve the quality of life.

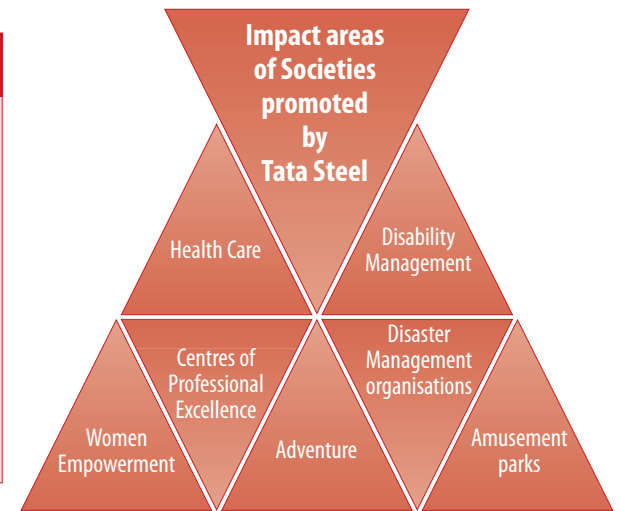
The Company has revisited its social strategy in an endeavour to measure the improvement in the development indices in the community. At the beginning of the reporting period, Tata Steel took the

decision to adopt a new performance indicator - the Human Development Index (HDI), a universally accepted indicator - to measure the holistic impact of its interventions. This index constitutes Sustainable Livelihoods as measured by income, Health as measured by life expectancy at birth and Education as measured by the enrollment rate and adult literacy. The Company commissioned a study of 110 villages in five blocks of East Singhbhum and Saraikela-Kharsawan districts, to assess their Human Development status.

The draft report of the HDI study was submitted to the top management of the Company at the end of the reporting year and the final report is expected to be completed by the second quarter of the next reporting period. Based on the findings, pilot projects will be initiated in a cluster of villages in these areas to evaluate the impact. If the pilot projects are found to be efficacious they will be replicated in other locations of Jharkhand as well as in the states of Chhattisgarh and Odisha.

In 2010-11, the Company's on-going community initiatives, planned after identifying perceived needs of the community based on surveys as well as through consultations with the community, continued to be implemented in 423 villages across the states of Jharkhand, Odisha and Chhattisgarh. The key areas of impact include Sustainable Livelihoods, Education, Environment, Health and Ethnicity. Among indigenous communities the Company not only works on the 4Es, namely Employment, Employability, Education and

Objective of Community Intervention	Key Areas of Intervention	Delivery Arms
Impacting a million lives by improving the socio-economic status of the community	<ul style="list-style-type: none"> Education Health Sustainable Livelihoods Civic Infrastructure Ethnicity Sports 	<ul style="list-style-type: none"> ● Corporate Sustainability Services <ul style="list-style-type: none"> ▶ Tata Steel Rural Development Society (TSRDS) ▶ Tribal Cultural Society (TCS) ▶ Tata Steel Family Initiatives Foundation (TSFIF) ▶ Urban Services ● Medical Services ● Sports ● Adventure Sports <ul style="list-style-type: none"> ▶ Tata Steel Adventure Foundation



Empowerment but has also added a fifth E - Ethnicity.

Tata Steel has dedicated departments and societies - all aimed at furthering inclusive growth. The Company's Medical Services, Urban Services, Sports Department, Tata Steel Rural Development Society, Tribal Cultural Society, Tata Steel Family Initiatives Foundation, Tata Steel Adventure Foundation and Core Group for HIV/AIDS together constitute a part of its Corporate Services Division whose primary focus is the community. In Jamshedpur, Tata Steel has outsourced the management of urban infrastructure services. However, in all other locations, it takes direct responsibility for the delivery of all such services to its employees and sections of the immediate community. The Company spent a sum of Rs 1263 million on municipal, community and medical services, grants for rural activities and other grants in 2010-11.

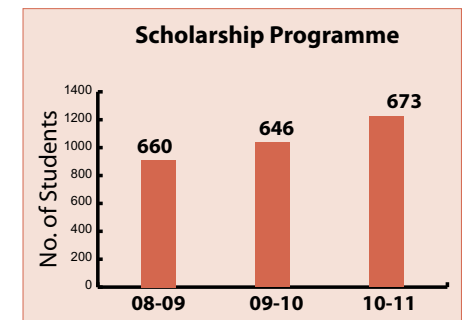
The Company also supports 19 registered societies through different levels of engagement to ensure that the fruits of its economic growth benefit niche requirements of diverse segments of society such as those in need of eye care, artists or disabled children. The societies have been structured under seven areas of impact, health care comprising hospitals, centres of alternate medicine and the blood bank, institutions for disability management, women empowerment organizations, centres of professional excellence, adventure, amusement parks and services & disaster management organisations. Volunteerism by employees in the Societies and Trusts plays a pivotal role in the

survival, sustenance and development of these societies. Their involvement also helps the Company monitor and review both quantitative and qualitative enhancement of community development process with a view to accelerating the developmental process of the community.

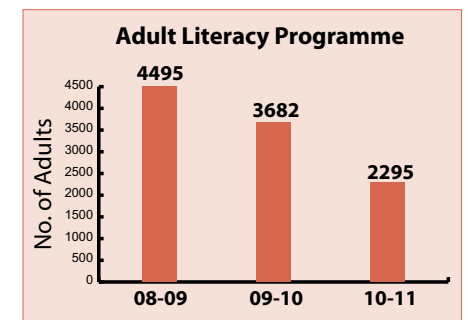
Education

As part of its educational interventions, the Company provides scholarships to meritorious students from socially and economically underprivileged families, bridge courses for school dropouts, coaching classes for high school students, literacy classes to make adults functionally literate and provides educational aids for school children. Tata Steel measures the impact of its educational interventions by using key performance measures such as, number of students benefitted through scholarships and adults made functionally literate through adult literacy classes.

In 2010-11, the Company awarded scholarships to more than 600 students from indigenous communities under its Jyoti and Moodie Scholarships programmes. This monetary aid enabled both school and college level students to continue their education, including pursuing professional courses such as business management, engineering and medicine. In the next reporting year, the Company intends to double the total scholarship pie.



The adult literacy programme is an effort towards making adults functionally literate. In the past, the programme was open for all illiterate adults of any age groups. But from the year 2010-2011, the focus was on illiterate women SHG members with the belief that by becoming functionally literate, they can actively participate in the group functions and also motivate other community people about the importance of education. During the year, nearly 2300 women were made functionally literate. The graph below reflects the coverage of the programme in the past three years.



Two bridge schools for girls helped 200 school dropouts to re-enter the mainstream.



To encourage a sizable section of urban and rural children from economically challenged families to attend school and simultaneously improve their nutritional status, the Company signed a memorandum of understanding with the Government of Jharkhand and ISKCON for a mid-day meal kitchen. To be run as a public private partnership project, it will supply mid-day meals to more than 50,000 needy children in the first phase and later on to around 100,000 students studying in government schools in and around Jamshedpur.

Technical education is imparted at the Company's R D Tata Technical Institute and Shavak Nanavati Technical Institute in Jamshedpur every year.

Grants in aid and managerial resources are provided to 58 schools in Jamshedpur and 12 schools where the Company's mines and collieries are located, with key Company personnel serving on their boards.

Health

The economically disadvantaged from urban locations to remote rural villages receive comprehensive treatment and diagnostic facilities under the wide reaching health care umbrella established by Tata Steel. It comprises an 890 bed hospital and health dispensaries in Jamshedpur, six hospitals in the mines and collieries, resource centre for population stabilization interventions and support centre for People Living with HIV/AIDS. In addition to the rural health clinics, the mobile medical vans reach out to all the operational villages on a weekly basis. These together deliver preventive, promotive and

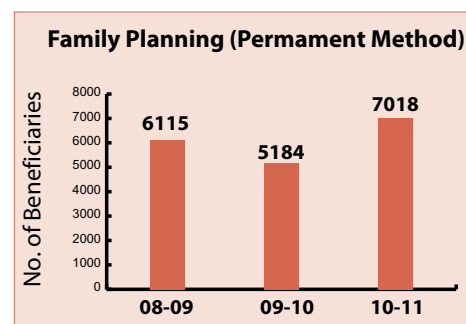
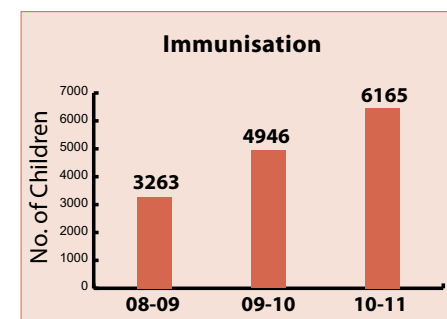
curative health care services to the disadvantaged.

Tata Steel's health care network benefitted 18,40,000 people in 2010-11 which includes both Tata Steel employees and the community from urban, peri-urban and rural areas.

In addition to the services extended by Tata Main Hospital in the critical areas (critical care, burn care, intensive care) diagnostics (pathology, nuclear medicine, radiology) surgeries, a number of health care interventions are extended to the communities in the rural areas.

Key health care interventions in 2010-11

- Primary Health Care - through dispensaries and mobile medical units
- Family Planning - LTT / NSV operations
- Immunisation
- Antenatal Checkups
- Malaria
- Tuberculosis
- HIV / AIDS
- Eye Care Services
- Adolescent Health
- Reconstructive Surgery of Cleft lip / palate
- Life Line Express
- Blood Donation
- Disability Management
- De - addiction camps



Maternal and Newborn Survival Initiatives (Mansi):

The Company launched Project Mansi in 2009-10 in all 167 villages of Seraikela block in the district of Seraikela-Kharsawan with the main objectives of reducing the maternal and newborn mortality in the Seraikela block by increasing awareness, access to and quality of health care services, both at the institutional as well as community level. This project is a joint initiative between Tata Steel Rural Development Society, American India Foundation, Department of Health and Family Welfare (Government of Jharkhand) and SEARCH, Gadchiroli (Maharashtra). The project will begin to yield results in the next reporting year.



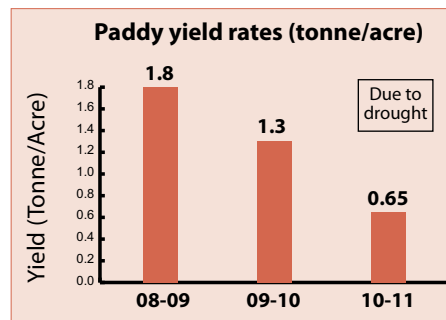
Sustainable Livelihoods

Tata Steel's strategy for the creation of sustainable livelihoods focuses on improving crop yield, dry land farming, wasteland development, self help groups (SHGs), support to rural artisans and employability training for urban and rural youth. Impact is measured through increased productivity of paddy crops, increase in cropping intensity on the basis of additional area brought under second and third crops, increase in acreage under horticulture crops, all of which enhance family income. Youth gainfully employed and augmentation in the family income through income generation by women are also key indicators of better economic security.

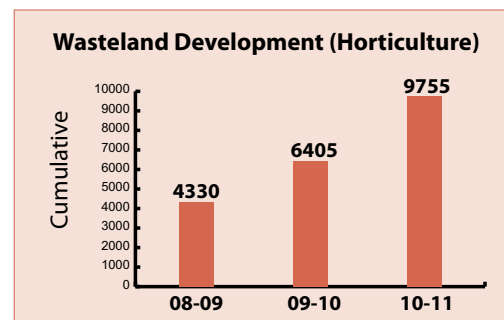
Agriculture Development:

These interventions benefit small and marginal farmers by encouraging them to adopt improved practices of paddy cultivation which increases yield per acre. Also, focus is placed on increasing cropping intensity through the cultivation of second and third crops. The Company also promotes wasteland development through cultivation of horticulture crops.

The year 2009-2010 and 2010-2011 were the years of low rainfall, where total rainfall was below average. As a result, it had direct impact on the paddy productivity which is reflected in the yield data given in the graph below. Not only paddy yield got impacted, but less rainfall also impacted storage of surface water which impacted coverage of area under second and third crops.



In addition to the main crops, the Company for the past five years, has focused on developing wasteland into productive land by promoting horticulture crops. This has successfully brought more than 12,000 acres of land under cashew and mango plantation at Patamda, Baharagora and Chakulia in East Singhbhum district. During the year, around 3300 acres of land have been covered under Cashew crops.

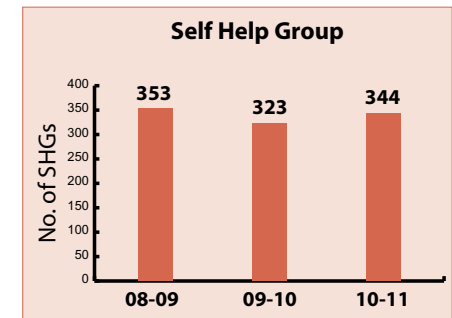


Enterprise Development:

Self help groups have proved to be the most efficacious route to making women economically self reliant. They are encouraged to set up home enterprises and market products such as pickles, vermicompost, saplings, mushroom, bamboo products etc. They are also linked

to Government schemes which allow them to obtain loans or establish small enterprises such as stores for provisions under the public distribution system of the Government.

At the end of 2010-2011, the Company was working with 757 SHGs with a membership base of around 9800. These groups have also build a fund base of around Rs 49 million.



Employability Training

Gainful employment of youth is seen by Tata Steel as a key responsibility. Its partnerships with leading technical institutes allows underprivileged youth to be trained in trades such as welding, air-conditioner and refrigerator repair, driving, security training, plumbing and computer skills. Tata Steel's Safety Excellence Journey has opened a new avenue for training of youth as Safety supervisors for its project sites as well as for all Tata companies and contractors. In 2010-11, it also collaborated with Tata Business Support Services to facilitate recruitment and training of rural youth as call centre operators.

As an outcome of different livelihood activities with the



community, the income base of the household has improved and in certain areas distress migration has reduced drastically. The increase in income also leads to greater interest towards children's education and increased focus on health of family members.

Civic infrastructure amenities

Tata Steel is responsible for municipal services in Jamshedpur ranging from power, water, roads, waste management, etc. These amenities impact the quality of life of a population of almost 10,00,000 people. The Company also assists the local governments in developing physical infrastructure like roads, school buildings and community centres across all its mining and greenfield locations.

Availability of light after dark has the incredible ability to make a community dramatically more productive. Tata Steel is using renewable sources of energy such as solar power to effect social change in villages. Access to safe drinking water is brought about sinking by tubewells, establishing water distribution systems through stand posts and pipelines and also supplying drinking water through tankers at the time of urgent need.

Urban Services

Urban Services deploys Tata Steel's initiatives in Jamshedpur. These cover the areas of education, employability, primary health care and infrastructure development to decongest the town.

To improve attendance in government run schools as well as to fulfill the basic nutritional needs of the children, Tata Steel proposed the introduction of a mid-day meal scheme in 2011-12. In the first phase 50,000 children will receive mid-day meals as a result of this initiative.

Ethnicity

Observance of tribal festivals, promotion of tribal sports, tribal language classes and culture are the interventions chosen by Tata Steel to preserve the tribal culture and heritage of its indigenous communities. The Company supports work on various facets of tribal culture, including tribal music and dance and tribal scripts such as Santhali, which is predominantly spoken by the communities which surround it. Its Tribal Cultural Society is responsible for driving these initiatives. In 2010-11, a tribal dance festival was organised which showcased the indigenous cultures of the tribes of Jharkhand, Odisha and Chhattisgarh.





Sports

Tata Football Academy, Tata Archery Academy Tata Athletics Academy and 11 training centres in Jamshedpur, four feeder centres at the mines and collieries and Greenfield sites along with excellence centres across schools is the multi level structure used by Tata Steel to support the National cause of making India a sporting power. Tata Steel's performance measure for Sports is the number of national and international medals won by its sportspersons as well as the number of persons engaged through its sports, health and fitness initiatives.

It actively promotes sports as a means to better health among employees, and also an avenue for gainful employment and improving the quality of life of the community. To achieve these objectives Tata Steel continually invests in the development of sports infrastructure which has led to the creation of a sports complex at Jamshedpur with an eight lane polyurethane track and football field, as well as facilities for handball, tennis, volleyball, hockey, basketball, boxing, table tennis, swimming, a modern gymnasium and sports hostel. It has multi-purpose stadiums at Joda, Digwadih and Keonjhar, in addition to well equipped sports grounds amenities at all its locations.

Tata Steel's trainees consistently excel at the district, state and national levels. Cadets from the Tata Football Academy and Tata Archery Academy constitute a significant part of the National teams. The Tata Athletic

Academy focuses on improving India's hopes at the Olympics.

Tata Steel's promotion and support of sports has resulted

in the country's highest honour, the Rashtriya Khel Protsahan Puraskar being conferred on it for two years in succession, 2008-09 and 2009-10.



Empowerment through Adventure Sports

In 2010-11 Tata Steel extended comprehensive support to an expedition by the first woman from the state of Jharkhand to scale Mount Everest. Mrs Premlata Agarwal

is training for the expedition which is planned for May 2011. Adventure sports are used by the Company to transform the minds of rural youth many of who are at first reluctant to leave the secure environment of their villages.



Translating Principles into Practice

To implement its philosophy of working for the common good and specifically promoting ethical conduct the Company took specific actions.

The entire organisation was analysed for risks related to corruption. Based on this analysis all officers re-certified their compliance to the Tata Code of Conduct 2008. An important step forward was engaging unionised employees in the ethics movement. Tata Workers' Union and FAMD Employees Union have signed a MoU to reaffirm their commitment to the Tata Code of Conduct.

To foster greater understanding during Ethics Month, observed every year, dedicated themes are used to highlight attributes of individual conduct impacting anti-corruption and code compliance measures.

To implement the Code all across the organisation, by involving local managements in the implementation of business ethics, respective HoDs nominate departmental ethics coordinator. The criteria for selection of the Departmental Ethics Coordinators has been codified and circulated to all the business leaders.

The Gift Policy is communicated extensively and a system of declaring gifts, if received above the values permitted, is in place.

The process for declaring a conflict of interest was re-evaluated in 2010-11 and a new intranet based COI declaration system is being developed. This will provide definitions for relatives, family members and will answer frequently asked questions on Conflict of Interest. In order to develop the new system global benchmarking practices are being examined for possible adoption.

Tata Steel also reevaluated its whistle blowing system to foster confidence among the stakeholders in the third party whistle blowing line implemented on July 1, 2011.

All officers and non officers of Tata Steel are accountable for complying with Tata Code of Conduct.

Appropriate stipulations in appointment documents make compliance to the Code of Conduct a condition to service for all newly appointed employees. Subsequently, they attend a training programme on Tata Code of Conduct compliance during which individual clauses related to anti-corruption are explained in detail.

Tata Steel's induction training programme includes a capsule conducted by its Vigilance department. Various misconducts in the area of vendor management and other areas sensitive to corruption are covered in detail with the trainees. The objective of the programme is

to make them aware of activities defined as unethical in the organisation.

Tata Steel has zero tolerance towards corruption and unethical activities, therefore all reported cases are investigated thoroughly by Vigilance Department Based on the findings of the enquiry disciplinary measures both against employees as well as the vendor are taken if a violation is proved. Anti corruption issues have been specifically addressed in various clauses of Tata Code of Conduct 2008.

Tata Steel believes that the growth of the steel industry and competitive open markets in India is imperative for the development of the Country. The Company therefore fully supports the development of open markets and a competitive business environment.

Tata Steel's values preclude any activity which could be interpreted as natural dependence or favour with any political party. Any donations are made through Tata Group's Electoral Trust. While a sum of Rs 3.50 crore was donated in 2009-10, in 2010-11 no donations were given. The Company did not pay any fines in 2010-11 nor were non-monetary sanctions imposed on it for non-compliance with laws and regulations.



PRODUCT RESPONSIBILITY

GROWING TO SERVE CUSTOMER NEEDS

MANAGEMENT APPROACH

The Indian steel industry has made rapid progress on strong fundamentals over the recent few years and is expected to continue with further growth given robust business investment, infrastructure spending and industrial activity. Tata Steel vision for sustainable growth is to be a global steel industry benchmark in value creation and corporate citizenship. Customer value creation is the corner stone for building strategy and fostering a culture of innovation and continuous improvement in business. The focus on the customer is all the more necessary because of increased competitive intensity.

Given the above scenario, the key business objective of Marketing & Sales is to create value for customers in the areas of Automotive and Construction Business by sustaining our market leadership.



CUSTOMER HEALTH & SAFETY:

Tata Steel's products are used for applications in vehicles, construction, engineering equipment, packaging and many more areas. Such applications are subject to the necessary regulations, standards and guidelines for health & safety. Compliance to these aspects therefore features strongly during the new product development stage.

Following two examples are unique.

Wire Rod customer mechanical descaling:

100% of the Company's LCWR customers (~ 13000 tpm) have shifted from previous "Acid Pickling" of Wire rods before Wire drawing to "Mechanical De-scaling". This is due to the special initiative of the Company in which it has changed the rolling parameters to make non-sticky, thick & flaky scales which can be removed by mechanical de-scaling.

The saving to the customer is ~ Rs800/ t which includes Acid sludge disposal. The Acid sludge has huge environmental impact and also needs lot of clearances for disposal. Health hazard to the employees at customer premises have reduced after this initiative.

Zero spangled Galvano:

Galvano marks a new beginning in the world of Galvanized Plain (GP) sheets by being the First branded zero-spangled GP steel offering in the country. Galvano produced through "lead-free" coating Chemistry, makes it an eco-friendly steel. Unlike ordinary spangled, minimized spangled and crushed spangled products available in the market, Galvano stands out with unmatched surface finish and mechanical properties with capabilities to meet the stringent quality requirements of customers and making it ROHS compliant. Tata Steel therefore promotes environment protection also while promoting its brands / products.

Steel is also part of the solution to ward off the negative impacts of Climate Change. This will require large scale investment in new infrastructure, transportation modes, plant equipments, flood barriers, etc. For example, the Company is developing steels that are cleaner and stronger, making cars safer (crash safety), lighter and more fuel-efficient and it is developing construction solutions in steel that make buildings less material intensive and more eco-friendly. Further, by ensuring that all its steel products can be recycled many times over, it contributes strongly to the development of a sustainable society where depletion of raw materials and energy is minimized. No incidents of non-compliance in the matters of customer health & safety were reported during the year.

PRODUCT & SERVICE LABELLING:

Brand Protection:

Tata Logo and product brands are legally protected through copyright and any illegal use by other products or services is harshly dealt. Tata Steel has developed unique labeling for the galvanized plain sheet which can only be visible in fluorescent light to provide customer assurance without being visible to the naked eye as per the need of the customer.

The Company's Brand Protection Group & Legal department drives and takes legal steps against the spurious products which undermine our brand promise.

Customer Satisfaction:

Tata Steel's products include hot and cold rolled coils and sheets, galvanized coils, wire rods, re-enforcement construction bars. Considering the stiff competition and availability of other competitive products including imports, the need to continuously assess its capability to fulfill the customers needs and expectations (stated and unstated) is of utmost importance. Therefore, as a part of continuous improvement of product and services, Tata Steel conducts satisfaction studies among its OE Customers/ Distributors / Dealers spread across India.



OBJECTIVE:

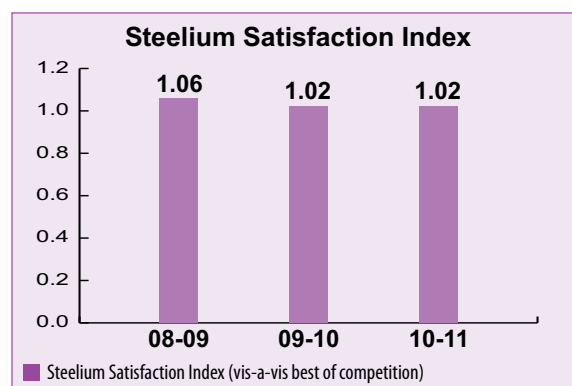
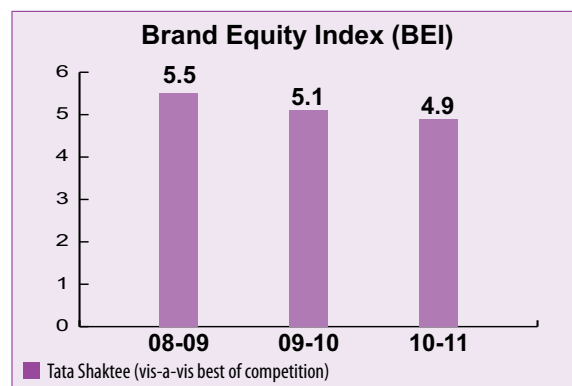
- To understand the key drivers in selecting a preferred supplier for the surveyed products.
- To benchmark Tata Steel's performance vis-à-vis its competitors
- To identify areas of strength and weakness for Tata Steel for leverage and actionable areas for Tata Steel
- To provide strategic direction for improvement in critical areas
- Identify key action areas for Tata Steel as part of a continuous improvement programme for dealer satisfaction and loyalty.

SCOPE:

- To obtain needs and expectations of the customers and identify drivers of customer satisfaction and customer loyalty and what causes dissatisfaction.
- To determine the level of importance attached to each of the above attributes.
- To identify where Tata Steel stands vis-à-vis best of competition
- To provide strategic direction for improvement in critical areas and identify leverage able and improvement opportunities
- To derive the customer satisfaction index.

Brand Management for sustained consumption:

Evaluation of the Brand Health is done through Brand Equity Index Study and Satisfaction Index study which measures various parameters like - awareness and recall; preference of usage; loyalty; drivers of loyalty; willingness to pay premium; corporate brand image etc.



MARKETING COMMUNICATION:

As a usual practice all marketing communications are vetted and approved by Marketing & Sales as well as the Legal department before releasing the same. No incident of non compliance with regulations and voluntary codes concerning marketing communications including advertising, promotion and sponsorship by type of outcome has been recorded during FY09-FY11

CUSTOMER PRIVACY:

Tata Steel enters into non-disclosure / confidentiality agreements wherever applicable with Customers. The Company honour such obligations. No complaints received/ recorded regarding breaches of customer privacy and losses of customer data.



Value Creation for customers:

Fe500 against Fe415

TSL has introduced Fe500 grade rebar replacing Fe415 grade. Usage of these rebar in construction projects enables up to 18% saving in steel consumption by weight, thereby conserving critical natural resource for future generations.

6mm rebar

Usage of 8mm rebar for applications like the kitchen slab, staircase, etc is a waste of natural resources as these can be easily designed with 6mm rebar. This has led to lower consumption of steel and thereby ore for the construction of same house and as such lower toxic waste reduction of 2.1 to 2.3 tons of CO₂/ton of crude steel of less consumption.

Low Carbon Wire Rod (LCWR) for high speed wire drawing

Low carbon wire rod (LCWR) is an important product category for the Long Product division. Tata Steel's customers are brand leaders in the welding industry and they in turn supply to the high service demanding auto industry. Conversion of wire rod to wire involves two stages of drawing known as dry and wet drawing at the customer's premises. Productivity of MIG wire plant depends on speed of drawing at both the stages.

Higher the speed higher the productivity and lower electricity consumption per ton of steel processed. WR3M grade can be drawn at a speed of 8-10 m/s whereas Low Ca ER70S6 can be drawn at a speed of 15-20 m/s leading to 100% increase in productivity and saving of electricity. This has increased the productivity of our customer in the value chain thereby reducing power consumption & water cooling make-up water losses.

ACE+

(Adequate, Competent, Excellent rating of Service centre operations)

Tata Steel services small and medium customers who do not buy from retail outlet buyers but are repeat buyers of the Company's products. These customers use steel in sheet form that reaches them through service centres, down the value-chain. The brands Tata Steelium & Galvano are served 80% through 23 service centres. These are audited and developed through a trademarked process called ACE+(R). This is an annual audit process and unique in its structure.

Steelovation

(A unique initiative to create value for customers)

Tata Steel Flat Products has launched a knowledge sharing initiative for its customers. Sheet metal customers

often face problems with finishing & powder coating and their welding processes, resulting in wastage, quality issues and less than perfect finish. For the first time ever a steel company has conceived, developed and implemented a knowledge sharing initiative with a focus on these two critical areas of customers' processes. The content for welding processes and troubleshooting was developed by the Company's in-house technical team, while the content for painting was developed by Indian Paint & Coating association (IPCA). The content was based on actual feedback from customers and was customized to their specific needs. The initiative was rolled out with Tata Steel's Key Account Customers for Galvano & Steelium, the mix of which includes General Engineering, Bus Body Manufacturing, Electrical Fittings, Panel Industry and Auto Component Sectors. These sessions are highly interactive and customers are encouraged to ask the questions and discuss issues related to painting and welding freely with the experts in the field. The solutions help them to enhance value and ensure end-customer satisfaction to a great extent. This initiative has received great appreciation from the customers.



LINKs

(Learning, Interaction, Networking, Knowledge Sharing)

LINKs is a structured customer engagement initiative which is customized to deliver value across different categories and segments of customers.

Learning

Through Regional Customer Meets, Suraksha Meets and Regional Technical Workshops to enhance the technical and managerial competencies, sessions addressing Special Needs, Opportunities to interact with Industry Experts and Steelium Teams on a host of related topics of interest.

Interaction

Through Vijeta Awards & Summits, Participation in exhibitions and Celebrating Customer milestones. It is aimed at recognition of customers' workers and junior management teams by Steelium, instilling a sense of belonging and motivation in them, celebrating

customer achievements and milestones with the larger Steelium family and getting to know Industry Colleagues better.

Networking

This is undertaken through Plant Visits of customer teams to develop personalized relationships at different levels, to get to know each other beyond the work place, to understand the technical aspects of Steelium by first hand exposure at the Jamshedpur plant, as well as the heritage of Jamshedpur through a visit to Centre for Excellence.

Knowledge Sharing

Through Industry Meets provides opportunities to customers to participate in a platform where sector specific issues are discussed by knowledgeable industry leaders, exposure and interaction leading to competency enhancement in customer organizations.

SURAKSHA - SAFETY EXCELLENCE PROGRAMME

The most valuable resources are the people who work for the Company. Therefore it is essential to make the workplace safe and hazard-free. Driven by its desire to ensure injury free workplace at the Company's customer organizations, Tata Steelium Suraksha - Safety Excellence programme facilitates safety awareness in the customers' organisations and distributors' service centers. The programme is designed in a simple manner to encourage all employees to promote Safety in the workplace through workshops by Tata Steel Safety experts, providing safety equipment and rewarding best practices to help employees and management meet necessary safety standards.



Retail Identity Programmes (RIP)

has changed the face of retailing by enhancing consumer experience. TATA Shaktee reaches millions of consumers through 29 exclusive distributors, 2500 dealers covering all states & districts. 390 "exclusive showrooms" of exclusive dealers to meet the roofing needs of its consumers. Reaching and educating consumers remains a key success factors behind successful branding. The Company reaches 6000 haats and 35 lakh potential consumers every year through rural marketing programmes like Haat, melas, festivals etc

"Steelium Zone"

Steelium Zone is the exclusive outlet of Tata Steelium. It is the one-stop-shop for quality steel sheets. It offers the entire range of Tata Steelium CR Sheets along with various valued added support services. These outlets are designed to provide customers with a satisfying shopping experience in an ambience that reinforces the values associated with the Tata Steelium brand. As it is an authorized retail store, Steelium Zone guarantees source authenticity and the shopping fulfills value-for-money experience.

Influencer Management: Mason Meets under New Dealer nurturing program

Mason meets are conducted on regular basis as a part

of new dealer nurturing programme. The Meet is designed to communicate various aspects of Tata Tiscon rebar to the masons during the meet. This has helped in the popularizing the brand and also helped in acquiring and nurturing new dealers

Customer Engagement Platforms:

The most important stakeholders of the Company include customers, employees, shareholders, community, media, non-governmental organizations and business partners. Exchanges with these stakeholder

groups helps the Company to identify important issues and ensure opportunities and risks for Tata Steel. The valuable feedback & results of the dialogue with stakeholders is feed into strategy management for sustainability.

Each division / department engages with different stakeholders related to their areas of operations, this forms an integral part of the planning process. The following figure explains the Company's stakeholder engagement process for the customer.

Engagement forums, concerns raised and initiatives taken to address are shown below:

Stakeholder	Forum	Concerns	Initiatives taken in 2010 -11 to address concerns	Benefit to Business	Benefit to Stakeholders
Customer	a) Customer Service Team	Cost Competitiveness and Localisation	Increasing Skin Panel production. Cost Reduction of customer by collaborative approach	(a) Higher SOB through better Delivery compliance.	(a) Reduction in Working Capital
	b) Customer Satisfaction Survey	Comply to Safety & Environment norms On time Delivery	Light weighting of Automotive through high strength steel development Implement TOC. Increasing availability at distributors end.	(b) Premium over competition	(b) Non price benefit of >Rs. 20 crs to Auto customers
	c) Customers / Distributors		Create Auto Hubs and Develop specialised transportation	c) Increase in Localisation of hi-end products	
	Meets	Defects / PPM rejection Value added products with enhanced aesthetics & life.	Reduce Customer Complaints on accounts of Process and Product Design by 25% Increase sale of Durashine- colour coated Galvalume sheets, Introduce zero spangle Galvano		



INDEPENDENT ASSURANCE STATEMENT

Introduction

Det Norske Veritas AS ('DNV AS') has been commissioned by the management of Tata Steel Limited ('Tata Steel' or 'the Company') to carry out an assurance engagement on the Company's 2010-11 Sustainability Report ('the Report') in its printed format against the Global Reporting Initiative 2006 Sustainability Reporting Guidelines Version 3.0 (GRI G3.0) and DNV Protocol for Verification of Sustainability Reporting (VeriSustain)¹.

Tata Steel is responsible for the collection, analysis, aggregation and presentation of information within the Report. Our responsibility in performing this work is to the management of Tata Steel only and in accordance with terms of reference agreed with the Company. The assurance engagement is based on the assumption that the data and information provided to us is complete and true. This statement is intended for the management and stakeholders of Tata Steel.

Scope of Assurance

The scope of work agreed upon with Tata Steel included the following:

- Verification of the entire Report covering social, environmental and economic indicators for the period 1st April 2010 to 31st March 2011;
- Review of the Report against the requirements of VeriSustain with a moderate level of assurance and;
 - Information relating to company's sustainability issues, responses, performance data, case studies and underlying systems for the management of such information and data as presented in the Report;

- Information relating to company's materiality assessment and stakeholder engagement processes;
- The boundary of the report covers Raw Material Division (OMQ and Collieries) and Steel Division (FPPC and LPPC) based on management control and /or significant influence as explained in the Report;
- The work was performed at
 - Tata Steel Jamshedpur Steel Works
 - Jamadoba Colliery
 - Marketing and Sales Office (FPPC and LPPC), Kolkata
- DNV carried out the verification during November 2011;
- The report was checked for meeting the requirements of GRI Application Level 'A'.

Verification Methodology

The Report has been evaluated against the principles of Materiality, Stakeholder Inclusiveness, Completeness, Responsiveness, Reliability and Neutrality, as set out in VeriSustain, and the GRI G3.0. As part of the verification DNV has challenged the sustainability-related statements and claims made in the Report and assessed the robustness of the underlying data management system, information flow and controls. We have:

- Examined and reviewed documents, data and other information made available to DNV by Tata Steel;
- Visited the Tata Steel Jamshedpur Steel Works, Jamadoba Colliery and Marketing and Sales Office

(FPPC & LPPC), Tata Center, Kolkata for the purpose of verifying qualitative and quantitative information presented in this Report;

- Conducted interviews with Senior Management at Tata Steel Jamshedpur Steel Works Jamadoba Colliery and Marketing and Sales Office (FPPC & LPPC), Tata Center, Kolkata, including data owners, decision-makers and risk managers from different divisions and functions of the Company;
- Performed sample-based reviews of the mechanisms for implementing the Company's own sustainability-related policies, as described in the Report, and for determining material issues to be included in the Report;
- Performed sample-based checks of the processes for generating, gathering and managing the quantitative and qualitative data included in the Report;
- Reviewed the process of acquiring information and economic data from the financial data presented in the 2010-11 certified Annual Report.

Conclusions

In DNV's opinion, the Report is a fair representation of the Company's sustainability-related strategies, management systems and performance. The Report meets the general content and quality requirements of the GRI G3.0, and DNV confirms that the GRI requirements for Application Level 'A+' have been met. We have evaluated the Report's adherence to the following principles on a scale of 'Good', 'Acceptable' and 'Needs Improvement':

¹www.dnv.com/services/assessment/corporate_responsibility/services_solutions/sustainabilityreporting/order/



INDEPENDENT ASSURANCE STATEMENT

Stakeholder Inclusiveness: Good. The Company had engaged themselves in dialogue with selected stakeholders during the year through different channels. The material issues emerging from the stakeholder engagement were collected, prioritised and the results are reflected in the report. Reference is made to the issue-based stakeholder engagement process under this Report.

Materiality: Acceptable. The process developed internally captures key sustainability issues. The completeness of materiality assessment process may need to be focused further to bring out sustainability issues with short and, medium term impacts.

Responsiveness: Good. The Company has adequately responded to stakeholder concerns through its policies and management systems, and this is reflected in the Report.

Reliability: Acceptable. We have evaluated the reliability of specified sustainability performance information and found it to be acceptable. The Company has developed its own data management system for capturing and reporting its sustainability performance. Although no systematic errors have been detected, DNV has identified some manual discrepancies which have subsequently been corrected.

Completeness: Acceptable. The Report gives a detailed description of the limitations in scope and boundary. The Company may consider increasing the scope and boundary to bring in its entire domestic and

international business operations which are significant, considering the nature of Tata Steel's operational activities.

Neutrality: Good. The Company has reported sustainability related issues in a balanced manner, in terms of content and tone. Challenges and limitations are presented together with commitments to future improvements.

Opportunities for Improvement

The following is an excerpt from the observations and opportunities reported back to the management of Tata Steel. However, these do not affect our conclusions on the Report, and they are indeed generally consistent with the management objectives already in place.

- A structured approach to evaluate and monitor the sustainability risks in the Raw material Division (OMQ and Collieries) will help in mitigating risks (if any) related to environmental, labour and human rights issues.
- To further enhance the quality and reliability of the performance data, an internal benchmarking of best practices could ensure knowledge sharing among data-owners and decision-makers and improve the consistency of data aggregation system;
- The boundary of the Report may be progressively expanded to include its entire domestic and international operations, in order to provide a more complete report.

DNV's Competence and Independence

DNV provides sustainability risk management services through qualified specialists worldwide. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV did not provide any services to Tata Steel during 2010-11 that could conflict with the independence of our work. DNV expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement.

For Det Norske Veritas AS,

Prasun Kundu

Lead Verifier

Det Norske Veritas AS, India

Antonio Astone

Global Manager, Corporate Responsibility Services
Det Norske Veritas AS, Milan, Italy

28th December 2011, Kolkata, India

GRI INDEX and UNGC Principles

Standard Disclosures on GRI (G3) Index and UNGC Principles	Cross Reference	Status	Page	UNGC CoP
1. Strategy and Analysis		●		
1.1 Statement from the most senior decision-maker of the organization.		●	02-03	Statement of Continuing Support
1.2 Description of key impacts, risks, and opportunities.	☆	●	04-06	
2. Organizational Profile				
2.1 Name of the organization.		●	07	
2.2 Primary brands, products, and/or services.		●	09	
2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.		●	08	
2.4 Location of organization's headquarters.		●	07	
2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.		●	08-09	
2.6 Nature of ownership and legal form.		●	08	
2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).		●		
2.8 Scale of the reporting organization.		●	09	
2.9 Significant changes during the reporting period regarding size, structure, or ownership.		●	09	
2.10 Awards received in the reporting period.		●	09-10	
3. Report Parameters			10	
3.1 Reporting period (e.g., fiscal/calendar year) for information provided.		●	12	
3.2 Date of most recent previous report (if any).		●	12	
3.3 Reporting cycle (annual, biennial, etc.)		●	12	
3.4 Contact point for questions regarding the report or its contents.		●	12	
3.5 Process for defining report content.		●	12	
3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance. State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).		●	12	
3.7 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.		●	12	
3.8 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.		●	12	
3.9 Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.		●	12	
3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).		●	12	
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.		●	12	
3.12 Table identifying the location of the Standard Disclosures in the report.		●	65-71	
3.13 Policy and current practice with regard to seeking external assurance for the report.		●	12	

● Full Disclosure ● Partial Disclosure ☆ Cross Reference

GRI INDEX and UNGC Principles

Standard Disclosures on GRI (G3) Index and UNGC Principles

	Cross Reference	Status	Page	UNGC CoP
4. Governance, Commitments, and Engagement				1-10
4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.		●	13	
4.2 Indicate whether the Chair of the highest governance body is also an executive officer.		●	13	
4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	☆	●	13	
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	☆	●	14-15	
4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	☆	●	13	
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.		●	13	
4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	☆	●	13	
4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	☆	●	13	
4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.		●	13	
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.		●	13	
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.		●	14	7
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.		●	14	
4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.		●	14	
4.14 List of stakeholder groups engaged by the organization.		●	14-16	
4.15 Basis for identification and selection of stakeholders with whom to engage.		●	14-16	
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.		●	14-16	
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.		●	14-16	

Standard Disclosures Part II : Performance Indicators

	Cross Reference	Status	Page	UNGC CoP
DMA EC Disclosure on Management Approach EC		●	17-18	1 4 6 7
Aspects Economic performance		●	18	
Market presence		●	20	
Indirect economic impacts		●	23/46	
DMA EN Disclosure on Management Approach EN		●	23-24	7 8 9
Aspects Materials		●	25	
Energy		●	26-30	
Water		●	25-26	
Biodiversity		●	32	
Emissions, effluents and waste		●	33	
Products and services		●	31	
Compliance		●	33	
Transport		●	31	
Overall		●		

● Full Disclosure ● Partial Disclosure ☆ Cross Reference

GRI INDEX and UNGC Principles

Standard Disclosures Part II : Performance Indicators		Cross Reference	Status	Page	UNGC CoP
DMA LA	Disclosure on Management Approach LA		●	34	① ③ ⑥
Aspects	Employment		●	35	
	Labor/management relations		●	36	
	Occupational health and safety		●	37-38	
	Training and education		●	38-41	
	Diversity and equal opportunity		●	41-42	
DMA HR	Disclosure on Management Approach HR		●	43	① - ⑥
Aspects	Investment and procurement practices		●	44	
	Non-discrimination		●	44	
	Freedom of association and collective bargaining		●	44	
	Child labor		●	44	
	Forced and compulsory labor		●	45	
	Security practices		●	45	
	Indigenous rights		●	53	
DMA SO	Disclosure on Management Approach SO		●	46	⑩
Aspects	Community		●	47	
	Corruption		●	53	
	Public policy		●	53	
	Anti-competitive behavior		●	53	
	Compliance		●	53	
DMA PR	Disclosure on Management Approach PR		●	54	① - ⑧
Aspects	Customer health and safety		●	55	
	Product and service labelling		●	58	
	Marketing communications		●	59	
	Customer privacy		●	59	
	Compliance		●	59	

Standard Disclosures Part III : Performance Indicators		Cross Reference	Status	Page	UNGC CoP
ECONOMIC					
Economic performance					
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.		●	18	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	☆	●	28	⑦
EC3	Coverage of the organization's defined benefit plan obligations.	☆	●	36	
EC4	Significant financial assistance received from government.	☆	●	20	
Market presence					
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.		●	21	①
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.		●	21/ 65	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.		●	22/ 65	⑥
Indirect economic impacts					
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	☆	●	2/46-53	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	☆	●	22/46-53	

● Full Disclosure ◐ Partial Disclosure ☆ Cross Reference

GRI INDEX and UNGC Principles

Standard Disclosures Part III : Performance Indicators

		Cross Reference	Status	Page	UNGC CoP
ENVIRONMENTAL					
Materials					
EN1	Materials used by weight or volume.		●	25/ 66	8
EN2	Percentage of materials used that are recycled input materials.		●	25	8 9
Energy					
EN3	Direct energy consumption by primary energy source.		●	26/ 66	8
EN4	Indirect energy consumption by primary source.		●	26/ 66	8
EN5	Energy saved due to conservation and efficiency improvements.		●	28-29	8 9
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.			30	8 9
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.		NM	NM	8 9
Water					
EN8	Total water withdrawal by source.		●	25/ 66 / 73	8
EN9	Water sources significantly affected by withdrawal of water.		●	25/ 66 / 73	8
EN10	Percentage and total volume of water recycled and reused.		●	25/ 66 / 73	8 9

Standard Disclosures on GRI (G3) Index and UNGC Principles

		Cross Reference	Status	Page	UNGC CoP
ENVIRONMENTAL					
Biodiversity					
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.		●	32	8
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.		●	31	8
EN13	Habitats protected or restored.		●	32	8
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.		●	32	8
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.		●	32	8
Emissions, effluents and waste					
EN16	Total direct and indirect greenhouse gas emissions by weight.		●	27	8
EN17	Other relevant indirect greenhouse gas emissions by weight.		●	28-29	8
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.		●	74	7 8 9
EN19	Emissions of ozone-depleting substances by weight.		●	74	8
EN20	NOx, SOx, and other significant air emissions by type and weight.		●	74	8
EN21	Total water discharge by quality and destination.		●	74	8
EN22	Total weight of waste by type and disposal method.		●	74/75	8
EN23	Total number and volume of significant spills.		●	33	8
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.		●	33	8
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.		●	26/75	8
Products and services					
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.		●	31	7 8 9
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.		NM	31	8 9
Compliance					
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.		●	33	8
Transport					
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.		●	31	8
Overall					
EN30	Total environmental protection expenditures and investments by type.		●	33	7 8 9

● Full Disclosure ● Partial Disclosure ☆ Cross Reference

Standard Disclosures on GRI (G3) Index and UNGC Principles		Cross Reference	Status	Page	UNGC CoP
SOCIAL: LABOR PRACTICES AND DECENT WORK					
Employment					
LA1	Total workforce by employment type, employment contract, and region.		●	35/ PDS	
LA2	Total number and rate of employee turnover by age group, gender, and region.		●	35/ PDS	6
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.		●	35/ PDS	
Labor/management relations					
LA4	Percentage of employees covered by collective bargaining agreements.		●	36	1 3
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.		●	36	3
Occupational health and safety					
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.		●	37	1
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.		●	37	1
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.		●	38	1
LA9	Health and safety topics covered in formal agreements with trade unions.		●	PDS	1
Training and education					
LA10	Average hours of training per year per employee by employee category.		●	40	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.		●	41	
LA12	Percentage of employees receiving regular performance and career development reviews.		●	41	
Diversity and equal opportunity					
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.		●	41-42	1 6
LA14	Ratio of basic salary of men to women by employee category.		●	35	1 6
SOCIAL: HUMAN RIGHTS					
Investment and procurement practices					
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.		●	44	1 - 6
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.		●	44	1 - 6
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.		●	41	1 - 6
Non-discrimination					
HR4	Total number of incidents of discrimination and actions taken.		●	44	1 2 6

● Full Disclosure ● Partial Disclosure ☆ Cross Reference

Standard Disclosures on GRI (G3) Index and UNGC Principles		Cross Reference	Status	Page	UNGC CoP
SOCIAL: HUMAN RIGHTS					
Freedom of association and collective bargaining					
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.		●	44	1 2 3
Child labor					
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.		●	44	1 2 5
Forced and compulsory labor					
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.		●	44	1 2 4
Security practices					
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.		●	45	1 2
Indigenous rights					
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.		●	45	1 2
SOCIAL: SOCIETY					
Community					
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.		●	54-59	
Corruption					
SO2	Percentage and total number of business units analyzed for risks related to corruption.		●	60	10
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.		●	60	10
SO4	Actions taken in response to incidents of corruption.		●	60	10
Public policy					
SO5	Public policy positions and participation in public policy development and lobbying.		●	60	1 - 10
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.		●	60	10
Anti-competitive behavior					
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.		●	60	
Compliance					
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.		●	60	

● Full Disclosure ● Partial Disclosure ☆ Cross Reference

Standard Disclosures on GRI (G3) Index and UNGC Principles		Cross Reference	Status	Page	UNGC CoP
SOCIAL: PRODUCT RESPONSIBILITY					
Customer health and safety					
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.		●	55	①
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.		●	55	①
Product and service labelling					
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.			NM	⑧
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.		●	55	⑧
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.		●	55	
Marketing communications					
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.			56	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.		●	56	
Customer privacy					
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.		●	56	①
Compliance					
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		●	56	
Independent Assurance Statement				60-61	

● Full Disclosure ● Partial Disclosure ☆ Cross Reference

List of abbreviations used

ABP	Annual Business Plan	LD	Linz Donawitz
BF	Blast Furnace	MASS	Manthan Ab Shopfloor Se
CCPM	Critical Chain Project Management	MD	Managing Director
COI	Conflict of Interest	Mega	106
DM	Daily Management	MGJ	Million Giga Joules (1015 Joules)
DM	Daily Management	MIS	Management Information System
Giga	109	PMS	Performance Management System
GT	Graduate Trainee	PSTA	Problem Solving and Task Achieving
GWH	Giga Watt Hour	SGA	Small Group Activity
JET	Junior Engineer Trainee	T	Tonnes (= 104 kilogram)
JRCP	Job Rotation and Career Planning	TCOC	Tata Code of Conduct
Kilo	103	TMDC	Tata Management Development Centre
KL	Kilo Litres	TOC	Theory of Constraints
KM	Knowledge Management	TQM	Total Quality Management
KPI	Key Performance Indicator	TSL	Tata Steel Limited
KVHS	Kar Vijay Har Shikhar		



Tata Steel Ltd was honored with the Rashtriya Khel Protsahan Puruskar for the second consecutive year. The Company bagged the award in the 'Financial Support for Sports Excellence' category. The award was received by Mr H M Nerurkar MD of Tata Steel Ltd and Mr Raghunath Pandey President of Tata Workers Union from Ms Pratibha Devisingh Patil President of India.

TATA STEEL LIMITED

Bombay House
24 Homi Mody Street
Mumbai 400 001
www.tatasteel.com